NATION'S BUSINESS



JANUARY • 1936

What the Constitution Means to the Man in the Street

By John W. Davis

Wanted: Business Statesmanship

By Harper Sibley

A Fifty Year Fight for Markets

275,000 CIRCULATION

PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON

Burroughs

SHORT-CUT KEYBOARD

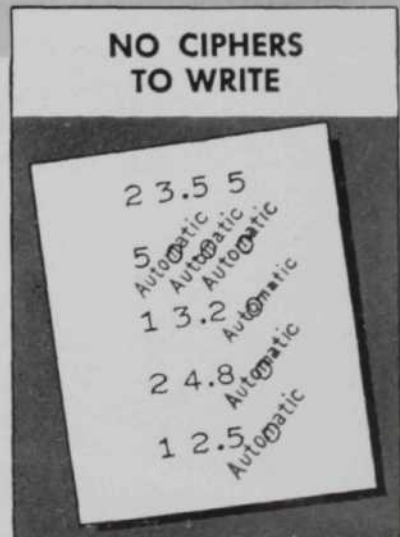


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ADDING, ACCOUNTING, BILLING AND CALCULATING MACHINES
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Greater Than Steel... Greater Than Iron

is the UNSEEN VALUE *in the car you buy!*

BEFORE BUYING A CAR —ASK YOURSELF THESE 5 QUESTIONS

1. *Has it proper weight distribution?*
2. *Has it genuine hydraulic brakes?*
3. *Is it economical to run?*
4. *Has it floating power?*
5. *Has it all-steel body?*

ONLY CHRYSLER-BUILT CARS HAVE ALL FIVE

TEN years ago a group of men with ideals in their heads and courage in their hearts launched an enterprise that was to record, in the short span of a decade, one of the most colorful success sagas in the history of the American automobile industry.

Launched in the highly competitive era that preceded the depression, the new project was destined to face the most tremendous obstacles that ever beset an infant undertaking. For here was an industry that was already overcrowded—an industry whose leaders had so definitely established themselves that success for a newcomer seemed beyond the realm of achievement.

* * *

Today Chrysler Corporation ranks among the Big Three of the automobile industry . . . and builds a line of motor cars whose names and high quality are bywords all over the world: Plymouth, Dodge, De Soto, Chrysler, and Dodge Trucks.

Today every fourth car sold in America is a Chrysler-made car.

Today Chrysler Corporation provides a means of livelihood for more than 500,000 people—a congregation larger than the entire population of many of America's greatest and most populous cities.

Today Chrysler Corporation's great dealer organizations have invested many millions of dollars to service Chrysler-made cars and trucks for purchasers in every nook and corner of America.

What it is

What is "Unseen Value" in a motor car? The answer to this question is the answer to the success of Chrysler Corporation and Chrysler-made cars: Plymouth, Dodge, De Soto, Chrysler, and Dodge Trucks.

To the men who make up Chrysler Corporation, a Chrysler-made car is something more than steel and iron. It is rather the culmination of ideals . . . the ideals of these courageous pioneers who, in 1925, dared knock at the portals of an industry that held little promise for a beginner.

That the public has responded to these ideals is evident. During its ten years of existence Chrysler Corporation has sold 3,600,000 cars—or more cars than were sold by any other automobile manufacturer in the first decade of its business.

What does the "Unseen Value" of a Chrysler-made car mean to you? Just this. Whether you possess little or no technical knowledge of an automobile, you can select the Chrysler-made car in your price range, secure in the knowledge that you are getting a car that is honor-built; that is superlatively engineered; and that embodies every modern improvement in operating perfection, economy, comfort, beauty and long-life that ever-progressive engineering and quality manufacturing can produce.

PLYMOUTH DODGE PASSENGER CARS AND TRUCKS

Chrysler Corporation

DE SOTO CHRYSLER

Chrysler Marine and Industrial Engines

Airtemp—Air Conditioning

YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

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WHEN ROAD DELAYS UPSET SCHEDULES, STOLE PROFITS—SENT COSTS SKYWARD . . .

THEY CHANGED TO Firestone GUM-DIPPED TIRES



TIRE delays were playing havoc with this operator's business. Treads wore down fast—they failed to hold on slippery pavements—even separated at times. It was a tire-killing run. The situation was serious — something had to be done to lower costs and maintain schedules.

So he changed to Firestone Gum-Dipped Tires! And now his trouble is over! For Firestone Tires are built with patented construction features and stand up under most gruelling conditions.

The Gum-Dipped cord body prevents internal friction and heat — chief cause of premature wear and blowouts. The two extra layers of Gum-Dipped cords securely lock the massive non-skid tread and cord body together. These patented features are used in no other tire.

See your nearby Firestone Auto Supply and Service Store or Firestone Tire Dealer. Start reducing your operating costs today.



Listen to the Voice of Firestone featuring Richard Crooks or Nelson Eddy—with Margaret Speaks, Monday evenings over Nationwide N.B.C.—WEAF Network

ON-TIME SCHEDULES

•

FASTER, MORE DEPENDABLE SERVICE

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LOWER OPERATING COSTS

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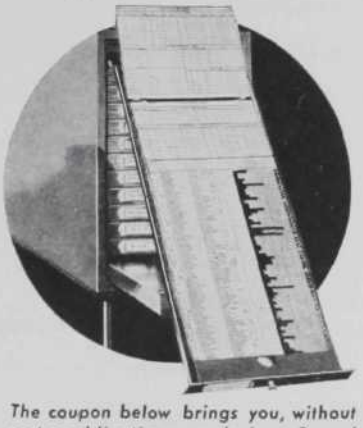


● You'll feel the way this executive feels when you turn to Acme Visible Equipment for your records under Federal Security Acts.

The necessity of maintaining records of your employees, whether past, present or future employees, over a period of twenty or more years; and the economy of keeping these records in one place for quick reference or summaries at any time, makes Acme Visible Equipment essential and indispensable.

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Acme Visible Equipment and Record Card Forms will serve you well in meeting your needs and requirements of State and Federal Governments as it has served well for 80,000 business institutions, in all types of records, for the last twenty years.



The coupon below brings you, without cost or obligation, sample Acme Record Card Forms and data concerning Federal Social Security legislation as it affects your records.

ON STOCK RECORDS, Acme controls the inactive items, and makes it possible to balance reserves with demand, thus reducing inventories.

ON LEDGER RECORDS, Acme speeds collections, controls credits, and reduces past due—releasing capital for other purposes. For ALL TYPES OF RECORDS, Acme improves control, stimulates action, and promotes the USE of records in the building of profits.

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Fill in, tear off and mail the coupon below.

ACME
VISIBLE RECORDS
World's Largest Exclusive Manufacturer of Visible Record Equipment

ACME CARD SYSTEM CO., 2 So. Michigan Avenue, Chicago, Ill.

() Send Social Security record forms.
() Send latest forms on _____ records.
() Send complete information on Acme Visible Record Equipment.

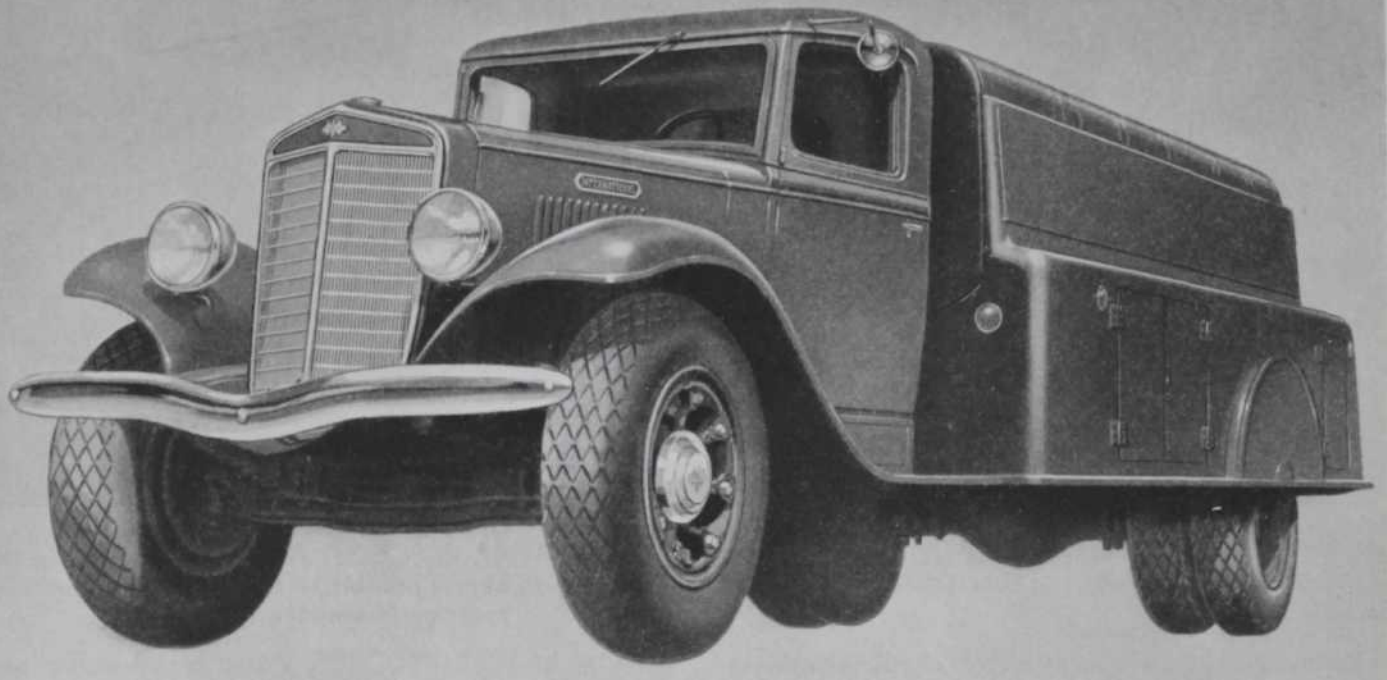
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FIRM _____

ADDRESS _____

CITY _____ STATE _____ N.B.-1-36

While the Entire Truck Industry Gains 29%
International Trucks Register Remarkable Gain of 73%



As this announcement goes to press R. L. Polk & Company, official statisticians of the automotive industry, provide U. S. new-truck registration data for the first nine months in 1935 against the same period in 1934. International advances 73.3%—all trucks together advance 28.6%. No other leading truck, *regardless of size or price*, equals the gain made by International.

Trucks are bought for practical reasons, and the rising tide of demand is for INTERNATIONAL. Fix that emphatic preference in your mind when *you* buy trucks. Make your truck investment simple, safe and sure. The 231 International branches (largest Company-owned truck service organization in the world), and thousands of dealers, are at your command with International Trucks for all hauling needs.

INTERNATIONAL

International sizes range from Light-Delivery to powerful Dump and Tractor-Trucks, starting with ½-ton 6-cylinder chassis at

$400 f. o. b. factory

Consult any International Branch or Dealer

INTERNATIONAL HARVESTER COMPANY
OF AMERICA (INCORPORATED)
606 So. Michigan Ave. Chicago, Illinois

INTERNATIONAL TRUCKS

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VOLUME 24 NUMBER 1

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

MERLE THORPE, Editor & Publisher

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BEHIND THESE GATES . . .

At Boulder Dam is rising a towering head of water, salient of an inland sea extending back 100 miles.

Four intake towers like these, each 358 feet tall, contain the gates designed to regulate the flow of water from that mammoth reservoir.

Eight massive cylinders each weighing 240 tons, each one as heavy as a 6-car streamlined train . . . in all, four million pounds of metal form these gates!

Raised by means of screw hoists located at the top of the towers, these gates will release the captive floodwaters of a torrential Colorado River . . . to irrigate arid wastes and supply horsepower by the millions for populous communities.

Made entirely of welded plates requiring 530,500 linear inches of weld . . . and then, because of their enormous bulk, shipped in segments which in turn were welded together on the job . . . these gates comprise the largest arc-welding project of its type ever completed. They could have been fabricated only where unparalleled experience in the art of electric arc-welding combines with rare engineering skill and almost unlimited large-scale manufacturing facilities.

A symbol of Westinghouse enterprise over 50 years throughout the whole broad range of electric power generation, distribution and use. Westinghouse Electric & Manufacturing Company, East Pittsburgh, Pennsylvania.

WESTINGHOUSE 1886 1936 GOLDEN JUBILEE

50 YEARS OF
GROWTH AND ACHIEVEMENT



WHY THEY USE ALLEGHENY STEELS

On with the NEW

DO YOU appreciate the potent force wielded by *design* in the modern industrial scheme? Look about you; there is evidence aplenty.

Electrical appliances . . . Building decorations, furniture and fixtures . . . Machinery and metallic objects of all sorts . . . Automobiles, buses, trucks . . . Railroad trains . . . And many other instances where unwieldy bulk and drab appearance have been reborn in sleek, streamlined simplicity and brilliant, eye-catching beauty.

In thousands of these modernizations, ALLEGHENY METAL has replaced painted surfaces, plated surfaces or baser steels. Why? Because this time-tested stainless steel best supplies the two basic essentials of good modern design,—*beauty and utility.*

Design, quite literally, can lift a product by its own bootstraps. But not through eye-appeal alone. A hard-working world, fresh from four years of hardpan, demands efficiency, too. And ALLEGHENY METAL supplies *both.*

It has shining, impervious beauty. It has great strength to reduce weight and costs. It resists wear, heat, atmospheric corrosion, and attack by all food or fruit acids and most chemicals. It cannot stain or tarnish. It cleans, always, at minimum cost. It cuts maintenance and depreciation costs to the bone.

Design, or re-design, are in order any month of the year. To those who now may be considering the development of new products or the modernization of old, these qualities of ALLEGHENY METAL are facts you should investigate.

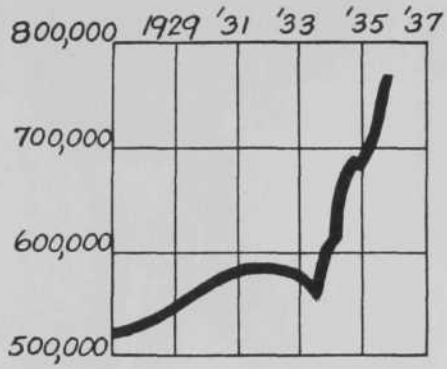
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ALLEGHENY METAL—the time-tested stainless steel of universal application — is a product of ALLEGHENY STEEL COMPANY, Brackenridge, Pa.; which also manufactures electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Son, Inc. Warehouses, by Union Hardware & Metal Co., Los Angeles, and by American Brass & Copper Co., San Francisco, Oakland.

Allegheny Metal is licensed under Chemical Foundation patents 1,316,817 and 1,339,378.

ADVERTISEMENT

Through the Editor's Specs



The rising tide of civilian employment by the Federal Government

A wolf in whiskers?

HOW an aggregate of $312,000,000 in Christmas Club savings was accumulated last year made cheerful reading for believers in the value of organized thrift. Where the money went is a story as rich in human interest. Christmas purchases, as would be expected, took the major share of the entire commitment with 42 per cent. Permanent savings came next with 25 per cent. And third stood taxes—12 per cent for taxes. Insurance premiums, mortgage interest, education, travel and charity, and year-end obligations accounted for the remaining 21 per cent.

A people long inured to taxes as one of life's relentless and ingenious certainties will find it difficult to raise an eyebrow at the thought of Santa Claus in the rôle of tax gatherer. As long as year-round gifts from the public treasury must be squared with private frugality, levies on the thrift of the citizen will know no season.

Autos by the pound

FURTHER confirmation of the automobile's well earned place in the domestic standard of living issues from Detroit in the steep ascent of the production curve. Deeper and broader is the industry's significance as a pillar of the nation's economic structure.

By report of a correspondent of the *Iron Age*, the price of the motor car in the past ten years has come down more than almost any other major commodity. On the basis of weight, the average car today sells for 23 cents a pound. In 1925 the pound price was 44 cents. Going at it another way, the average cost per inch of wheel base currently stands at $5.90, as against $9.60 ten years ago.

While costs have moved steadily downward, possibly in direct proportion to the manufacturers' acceptance of new machines and processes, more men have been required to staff plants adding new features on product equipment and design. Progress, it transpires, does not bestow its blessings on the impersonal public without at the same time conferring benefits on the substantial individuals who give it life and meaning.

Precious mettle of men

AS THE year begins, Charles J. Davol can look back on 50 years with the company founded in Providence by his father. For half of that half century he has been president and treasurer. What his management has meant in terms of the human equation takes dimension from the fact that since 1929 only upward revisions have been made in salaries and wages. Not one worker has been let out or laid off for any reason connected with the depression.

As for living testimonials to the Davol interpretation of industrial relations, 19 workers have been with the company more than 40 years. Of a pay roll of several hundred names, 15 per cent represent service records of more than 25 years.

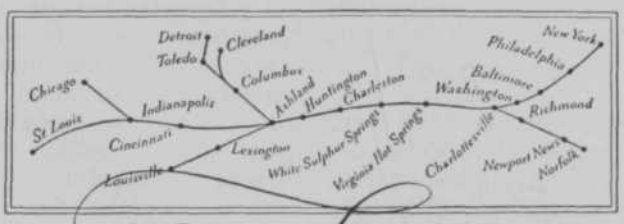
Up from the bottom came the son. No job too small, no detail too obscure to invite his interest and his mastery. Full as is the measure of his devoted concern to keep Davol a great name in rubber, the world of blessed "intangibles" beyond the desk is the richer for his heart and hand.

It is something of a fashion to boast that this country has no aristocracy of authority to threaten the institutions of democracy by handing down political power. Where the mantle of business leadership rests



Did Closing Your Books
OPEN YOUR EYES?

PROFIT—or loss—in 1935? Your balance sheet tells the story. And if your business failed to keep pace with recovery, look for one reason in your plant itself! • • Frankly, now, what about your factory's location? Is it close to sources of basic raw materials—ample supplies of coal, gas and oil—and is the correct grade of coal right at hand? If it isn't, you are adding to your costs and subtracting from your profits. Can you enjoy the benefits of low power costs—and draw upon an army of American-born labor? If you can't, you are at a bad competitive disadvantage—and in all fairness to your company you should do something about it. • • Here's a suggestion. Investigate the possibilities of locating your plant along the Chesapeake and Ohio. This territory offers every advantage from a manufacturing standpoint—in addition to the finest freight and passenger service in the world. George D. Moffett, Industrial Commissioner, will be glad to give you complete information. Address your request to him at Huntington, West Virginia.



George Washington's Railroad

CHESAPEAKE *and* OHIO *Lines*

Original Predecessor Company Founded by George Washington in 1785

on the shoulders of an heir by right of demonstrated worth, few are likely to contest the conclusion that an industrial dynasty has its uses in the public interest. Whatever modifications gold has suffered in its monetary sense, there is still a distinguishing value in the accumulated experience which makes it possible for a business to observe a golden anniversary of principles or personalities.

Hands across the power lines

IT turns out that disasters are no respecters of politics or politicians. Hurricanes, for example. The double barrelled storm which twice raked Florida last November leveled Florida Power & Light transmission lines serving Miami, Miami Beach, Hollywood, Coral Gables, and other communities in its path. Darkness reigned. Sanitation faltered, business groped, life's routines were disturbed. Where to turn for help?

Before touch with the North was lost, G. C. Estill, head man of the Florida utility, was able to telephone top officers of the American Power & Light and Electric Bond & Share, his parent and service corporations. Urgent need for men, materials, and money, he reported. No frail reeds his listeners in that tempestuous hour. Aid was promptly dispatched from seven states. Service to the distressed communities was quickly in a way of restoration.

"What would have happened if this had been an isolated municipal operation?" asks a newspaper editor. Then he writes his own answer, "Had the public utility concern in Florida not been affiliated with similar concerns in other states, it would have been without means to rebuild its lines, unable to get skilled labor for the purpose, and those cities of Florida would have remained in darkness for an indefinite period."

That the holding company has its political uses, the pages of the *Congressional Record* consistently attest. That it is also an instrumentality immediately responsive to the public interest, Florida's emergence from dreadful gloom has conspicuously affirmed. Unhappily for the cause of truth, an acute accent of calamity seems required to stir the country to acknowledgment of the humane bigness of a "big" business.

Recipe for public thrift

HOWEVER much Nebraska deserves her fame as a cradle of crackpot "liberalism," the salty matter-of-factness with which she can season her taste for political novelty is a distinction in its own quality. As the workings of the so-called "Nebraska

plan" accumulate experience, its flexible hard-headedness becomes as apparent as it is helpfully real. In brief, the plan counsels the community to:

1. Pay as you go; issue no state bonds, few county bonds.
2. Reject new, encroaching forms of taxation, particularly painless taxes.
3. Watch public spending and watch the spenders.
4. Remember that even in these changing times the functions of local government are essentially the same as they were 15 years ago and should cost no more.

As every pocket nerve can report, taxes know no season. Chambers of commerce, farmers' organizations, and newspapers dingdonged the people to watch public expenditures with a microscope, not to search for new taxes with a telescope. On the word of an Omaha editor, "by pounding away on the theme of economy, by emphasizing that the spigot of the tax reservoir is more important than the intake, they have jointly brought about a 36 per cent reduction in taxes."

That a local accent on thrift need signify no pinchpenny policy in state finance the new $10,000,000 capitol building convincingly attests. Not only is it debt free, but more, "the legislature of 1935 found that the capitol levy, which had averaged .37 mills for 14 years, had produced more money than the Capitol Commission needed, and a $200,000 dividend was declared to the taxpayers." Reason enough in these times of competitive extravagance for Will Rogers to ask, "Is it constitutional for a state to handle its affairs that way?"

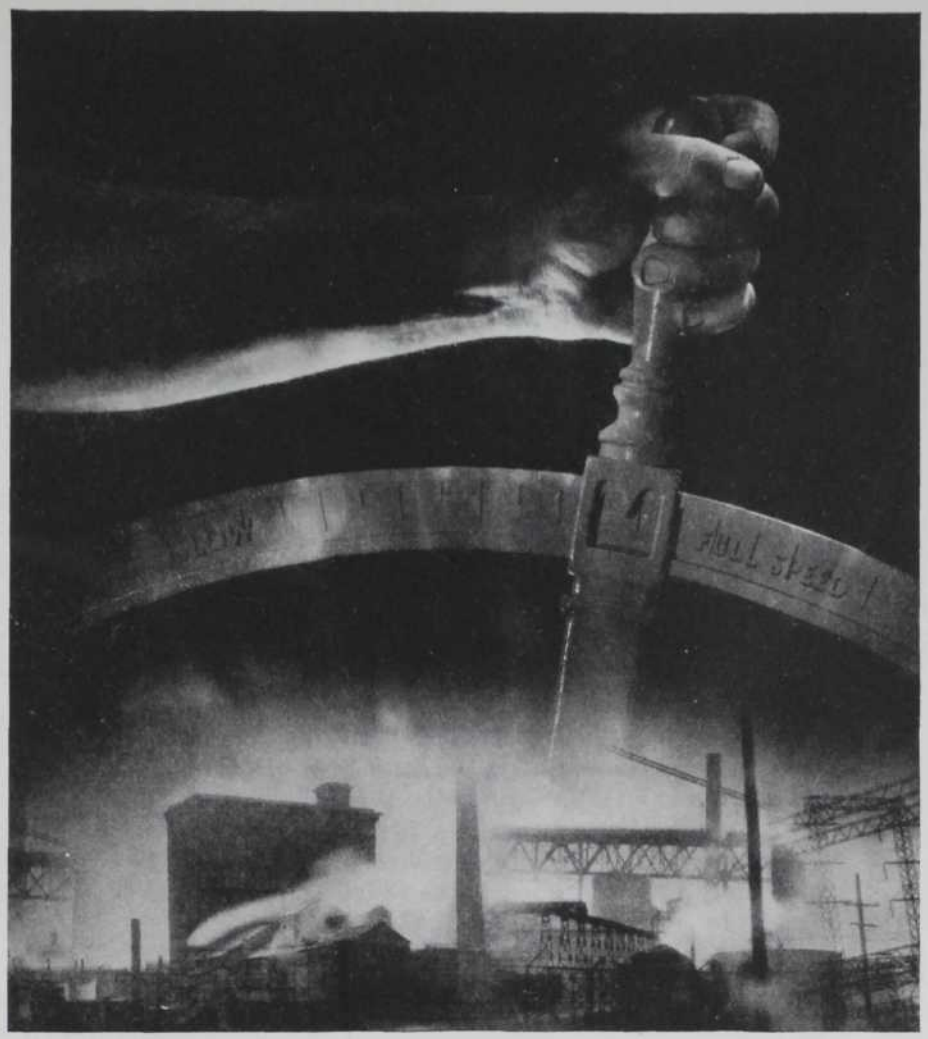
Red tape only skin deep

DESPITE the whirligig of experiments set going in the name of recovery, veteran observers of the public pump priming could well rub their eyes at the WPA's request for bids on articles usually associated with the theatrical arts.

The specifications read:

"Two complete make-up kits (equal to Stein or Factor). Each kit to consist of the following: One steel box with keys; eight kinds of grease paint; two shades of blending powder; one No. 18 dry rouge; one eyebrow pencil; one lip rouge; four liners; one mascara; one cold cream; one burnt cork; one crêpe hair; one spirit gum; one scissors; one mirror; one powder puff."

A citizenry burdened with doubts and fears might be indulged in viewing the requisition as a welcome bit of comic relief. Deeper goes the not insupportable notion that the public need disclosed on "U. S. standard form 33 revised, approved by the Sec-



HEATH STUDIOS

Steam's up

Business profits are in the air. Long dormant plans go into action. Men of industry and business chart their new course — and give the order "full speed ahead." • Hazards — known and unknown — beset these plans. Security and safety require sound insurance protection in the form of casualty insurance and fidelity and surety bonds in a sound institution. • The Standard of Detroit, a national insurance organization for 51 years, has protected industry, business and over one million people against financial loss. It has paid more than 143 millions of dollars in claims for policyholders. • As a basis of your new plans, we suggest an adequate program of casualty insurance and bonds for your home, property, business and self . . . available through 6500 capable Standard representatives.

Automobile Insurance • Personal Accident and Sickness • Burglary and Holdup • Plate Glass Breakage • Liability (all forms) • Workmen's Compensation • Fidelity and Surety Bonds (all forms)

STANDARD ACCIDENT INSURANCE COMPANY
DETROIT

Profits plucked from the Air!

IT HAS been said that Lord & Thomas have pioneered more new things in radio than all the other agencies combined.

But we are the last who would care to be characterized as a "radio agency." Our record in the successful use of all the other advertising media is an open book.

It is no accident that practically all of the successful users of broadcast advertising are large and successful users of other advertising media. With a large background of newspaper and magazine advertising, far-seeing advertisers have found in broadcasting the way to more customers, reached by a different method.

Programs Must Do More than Entertain —They Must Sell

Lord & Thomas never lose sight of this fundamental. In the distinguished programs which bear the imprint of Lord & Thomas showmanship, *salesmanship* is strikingly evident. Each program is not only a first-rate show—it is a first-rate *selling show*, as sales records will prove.

Our radio departments include program directors, continuity experts, musical directors. They are versed in every phase of broadcast advertising. They have been foremost in recognizing new talent, and in securing it for advertisers at advantageous prices.

Lord & Thomas offer evidence of the most convincing kind to support these claims—the sales records of many of America's most important advertisers. We are happy to offer the accumulated wealth of our experience to national advertisers.

We present, below, the radio shows currently sponsored by our clients on national networks.

Pepsodent, with "Amos 'n' Andy"

The famous blackface team, first of all the present-day strip programs, is in its seventh great year. And still voted the No. 1 laugh show of the air!

—NBC Red Network, 7 P. M., week nights, E. S. T.

Lucky Strike, "Your Hit Parade"

For many years a trail blazer on the air, Lucky Strike is now represented by a large musical show, with a great orchestra. *—NBC Red Network, 8 P. M., Sat., E. S. T.*

"Cities Service Concert" with Jessica Dragonette

Jessica Dragonette, recently voted radio's favorite woman star, is in her sixth straight year as the singing star of the Cities Service Hour, with a well known orchestra and quartet. *—NBC Red Network, 8 P. M., Fri., E. S. T.*

"The Magic Key" of RCA

Radio acts as good-will ambassador and salesman for a great company, the Radio Corporation of America, and the companies of the RCA family. Enlisting the greatest array of international stars ever assembled for one program.

—NBC Blue Network, 2 P. M., Sun., E. S. T.

Associated Oil, Football Broadcasts

Another Lord & Thomas "First"—chain radio sponsorship of big West Coast football games.

—Pacific Coast Networks, Sat. Afternoon

Pepsodent, with "Al Pearce and His Gang"

A great new show, pre-proved by its top ranking for six years on the Pacific Coast. Now on the air three times a week in the late afternoon, at approximately half the cost of evening hours. *—NBC Red Network, 5 P. M., week nights, E. S. T.*

Bourjois, "Evening in Paris Roof"

Featuring Odette Myrtil, French star, the entire program reflects a sales mood characteristic of the product.

—NBC Blue Network, 8:30 P. M., Mon., E. S. T.

Kleenex, "The Story of Mary Marlin"

This program was tested locally . . . a hit! Put on a national chain, sales pyramided. "Mary Marlin" became radio's most popular daytime show. *—CBS, 12:30 P. M., week days, E. S. T.*

Horlick's Malted Milk, with "Lum and Abner"

Local radio tests decided Horlick's to concentrate the entire advertising appropriation on radio. Recently voted the third most popular air team.

—NBC Blue Network, 7:30 P. M., week nights, E. S. T.

• • •

Other programs are presented locally through Lord & Thomas by Pinaud, Nestlé's, Crew Levick and RCA tubes.

LORD & THOMAS • *advertising*

retary of the Treasury" is just another dodge of that old red tapist Bureaucracy to replenish its own make-up box at public expense.

Notes on a public umbrella

ON THE word of the Farm Credit Administration, farmers have not plunged deeper into debt in the past three years. What has happened is that they have merely replaced a private mortgagee with a public creditor.

In 1928, insurance companies had farm loans amounting to $2,164,000,000. At the beginning of 1935 the figure had fallen to $1,266,000,000, about 16 per cent of the whole farm mortgage indebtedness. In approximately the same period, the similar loans of commercial banks shrank from $1,020,000,000 to $498,000,000, something more than six per cent of the aggregate outstanding. Larger and larger has grown the stake of Government. From a share of only 12 per cent of the business in 1928, it has advanced to about one-third of the entire debt, its paper amounting to more than $2,533,000,000.

Susceptible as the figures are to various interpretations, the swapping of old debts for new seems something of a piece with the financial wizardry which boasted of living off the interest on what it owed.

Whims cut on the bias

A LAND in which every man's life is fast becoming an open questionnaire may still find novelty in the intimate revelations which weight the ratings of candidates for rural rehabilitation. Reports sifting into Rural Resettlement headquarters define the discretion of field operatives with no manual to guide them.

How wide the range of reports is indicated by the variety of their subject matter—color of the eyes, reading tastes, method of rearing children, whether applicant is owner or driver of an automobile, and his or her religion, if any.

Among the judgments of fitness is one on "type." "S. G's family," it says, "comes highly recommended, but I just don't believe that they are the type of people that we want in the homestead group. They are of good character and have apparently made some effort to get somewhere but have just been hard hit as well as all small farmers."

Whether or not the fine comb of appraisal is at cross-purposes with the heralded aims of the project is a question, of course. Those who apply themselves too much to little things, said a wise Frenchman, usually become incapable of great things. That the saying is unhappily true, a later generation of Americans can bear regretful witness.

Farmers band for buying

WHETHER or not food is high because so many farmers do not want a place in the sun, they are cooperating to keep costs down. Says the Farm Credit Administration, "Of the $2,000,000,000 worth of supplies used by American farmers in growing and marketing their crops annually, fully $250,000,000—or one-eighth—is now purchased cooperatively. The purchasers include such farm supplies as feed, seed, fertilizer, containers, spray materials, twine, and petroleum products." More details in a new bulletin. Enough to show that the farmer's no longer in the dell. Probably he's at the cooperative headquarters, sloughing off his old rugged individualism and cooperating with a vengeance.

Balm for growing pains

ONE out of every six persons on relief is between the ages of 16 and 25. Young people on "dole" last May, 2,870,000. Relief population has declined, but proportion of youths is about the same.

Anatomy of the youth groups, as reported by C. Aubrey Williams, director of the National Youth Administration:

2,000,000 of college age; 870,000 of high school age.

60 per cent from urban areas; 40 per cent from rural areas.

1,390,000 boys; 1,480,000 girls.

1,400,000 white youths; 310,000 colored came from cities and towns.

In urban areas 675,000 boys and 465,000 girls were working or looking for work.

In rural areas 627,000 had jobs or were looking for jobs.

Allotted $27,000,000 to the middle of November, the NYA is planning part-time work for college and high school students, besides vocational training for apprentices in industry. A way of saying, perhaps, that the popular idea of "youth will be served" is no longer qualified with "self-service only."

Uncle Sam, landlord

TREASURY'S books show Federal Government in way to become nation's biggest real estate owner and operator. Items amount to $94,582,194 of "real estate and other property held for sale."

Items include:

One modern, well-equipped jail in Georgia, built by PWA now being sold to state on instalment payments.

6,571 bales of cotton, left to Commodity Credit Corporation by borrowers who forgot they had equity in cotton, moved away and left no forwarding address.

24,000 farms in hands of Federal Land Banks, booked at $22,405,398.

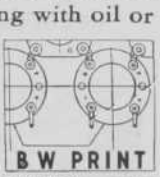


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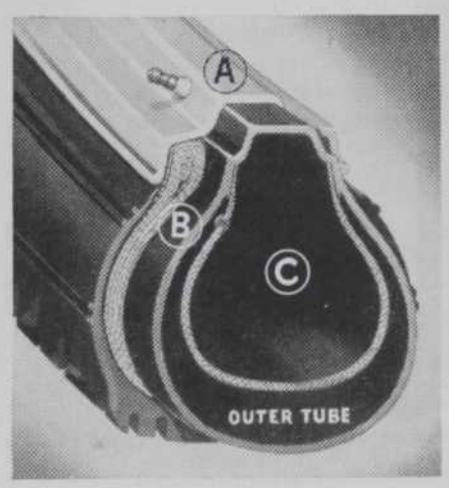
SAFETY IS THE WHOLE PURPOSE OF THE LIFEGUARD* TUBE

IF you've ever seen the car ahead of you careen suddenly into the ditch—if you've ever experienced the helpless terror of having the wheel torn from your hands—you know what a dreadful peril a blowout is!

It's all over in a moment — a crucial moment when a few seconds time to slow the car down before the collapsed and writhing tire clamps its death-grip upon your wheels would mean safety!

A tire within a tube

And that is what Goodyear has done—given you that few precious moments safety-margin with this new-type tube that makes the severest blowout no more harmful than a slow leak.



A Look for the yellow valve stem and blue cap

B LifeGuards* take a little longer to inflate because air passes gradually from "inner tire" to outer tube through this VENT HOLE

C On this two-ply "INNER TIRE" you ride to a stop with car under control, even though casing and outer tube blow wide open

We built and tested 1,300 different constructions before we found the answer—a 2-ply tire within a tube, as the diagram shows—and called it LifeGuard.*

At speeds of 60, 70, 80 miles an hour we automatically ripped open tires with wicked swivel-knives that cut down into the tube itself—punctured them with five-inch railroad spikes—even blew out sidewalls with dynamite caps.

Every time that inner fabric tire retained enough air to keep the casing partially inflated — enough to hold it on the wheel—enough to carry the car to a safe stop without a swerve!

Frankly, LifeGuard* Tubes cost somewhat more. They are designed, not to save money, but to save life!

That is why most manufacturers of the fast new cars are adopting them. You can have LifeGuard's* supreme safety on your present car, too. Drop in at any Goodyear dealer's and see for yourself how LifeGuards* take the terror out of blowouts—whether you are ready to buy now or not.

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NATION'S BUSINESS

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A MAGAZINE
FOR
BUSINESS MEN

★

Give Management Its Job!

IDLE money and materials, idle hands, yet millions with unsatisfied desires. Artificial stimulation, from planning to pump-priming, yet something is lacking.

We are a perverse people. We give lip service to the "more abundant life" yet stubbornly turn our faces from the essential force which can free the dormant energies of men and money. That indispensable is management, and the spirit of enterprise which drives it on.

What a strange phase the nation is passing through! We recognize that men are not created equal, that the Supreme Scheme of Things gives a Fritz Kreisler a peculiar ability to play the violin, a Will Rogers a peculiar ability to entertain; another to paint, this one to sing, another to teach. What we will not recognize is that a small group has likewise been given a peculiar ability to direct the energies of other men in the economic field.

It is a cruel fact that millions of us, directing our own energies, are unable to get more than food for our stomachs. It is futile to rail against this condition. If there be criticism, it should be directed at the "Scheme of Things" which, if mortals were able to see the circle whole and not in broken arcs, could surely be reconciled. Nor is it due to the Age, as starry-eyed reformers exclaim. It has been so since the Beginning.

Happily, The Plan provides men gifted with managing ability. The manager directs and supervises the capacity of the individual and enables him to produce not only food, but also the conveniences and even the luxuries of life.

Who are these managers? According to the census, 606,000 individuals qualify in managerial occupations. They direct forestry, fishing, mining and manufacturing operations. They are engaged in transportation and communication, in banks and insurance activities and in real estate development. There are 312,000 manufacturers whose concern and responsibility are to bring the talents and temperaments and capabilities of 14,000,000 workers to the full flower of serviceability. Add 1,700,000 retailers and the nation's managerial resource exceeds 2,300,000 citizens.

It is an enormous resource of vision and supervision. Management's power is not a power to impose fines and penalties, but rather a God-given ability to animate, to initiate, to develop, to assign tasks at which the worker is most apt, to inspire, to interpret policies and create team-play, to select and appraise and nourish the hidden values in the human equation.

The grave danger is that politics may destroy this spirit of American enterprise, the only agency possible to give us continuous and creative employment of all our resources. Politics, however conscientious in its zeal for the public good, fails to sense the deadening effect upon the spirits of men, upon industrial leaders, through endless harassments and popular indictments; through the increasing toll of taxation; through the competition from one's own government in a hundred fields; through restrictions, regulations, investigations, which are too often administered in support of a political hobby if not vindictiveness. Even where such overseeing is public-spirited, it is often unintelligent because of a failure to understand the material and spiritual factors involved in the management of trade and industry.

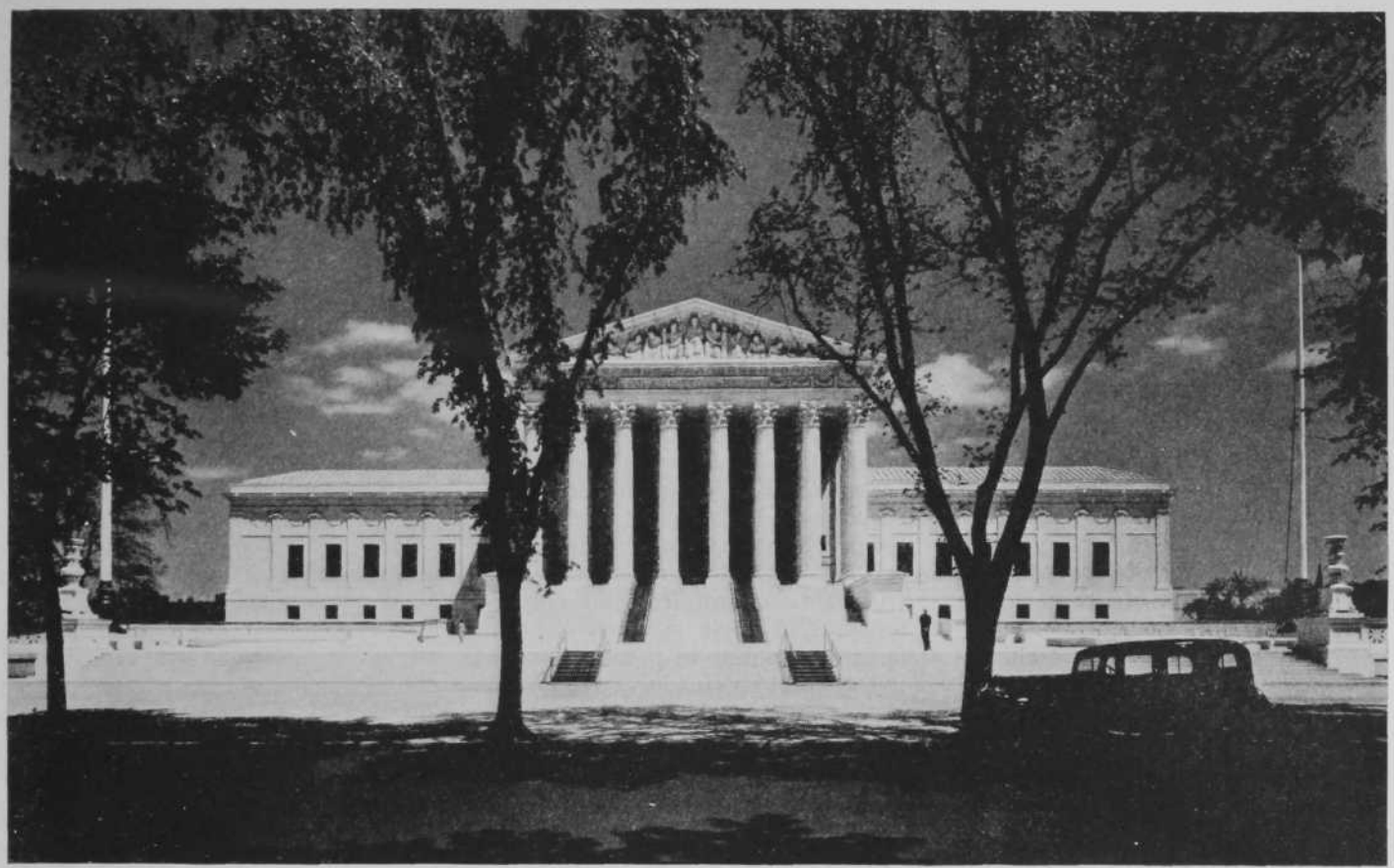
Give management a chance! Recognize it as a unique ability, respect it, encourage it. Exercise patience with its policies, at least until they are understood in their entirety. The spirit of management is too valuable an asset to society to be kept in overalls by discrediting the incentive to advance. It is likewise national folly to foreshorten its full reach.

Merle Thorpe


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ISN'T ALWAYS
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HORYDCZAK

The Supreme Court: "Our help in ages past; Our hope for years to come"

The Constitution

What It Means to the Man in the Street

By JOHN W. DAVIS

IN THE present discussions of the Constitution and possible amendments to it, there is an unfortunate tendency to use the word "Constitution" as a battlecry with no attempt to consider its meaning from a reasoned and appreciative point of view—a tendency to overlook its place in the history of civilization and in the present every-day life of the citizens of the United States.

Historically, the Constitution represents the culmination of centuries of struggle for a government which would allow each and every citizen the freedom and individual liberty which every thinking person has always desired for himself and which would protect him from unnecessary restrictions and regulations which might deprive him of those rights. Conditions in this country at that time were such that men could establish what seemed to the clearest and most altruistic thinkers a government approaching perfection in its design to protect those "inalienable rights" with which men are endowed at birth.

The Colonial Americans found that the old regulations and restrictions had followed them across the sea and that they were not truly free, even in the freedom guaranteed to English subjects by Magna Charta and the English Bill and Petition of Rights. When the burden became too great and the decision was made to submit no longer to "taxation without representation" and the other tyrannies of the English rule, they resolved to establish a government which would guarantee the rights for which they were willing to sacrifice everything else and which would free them, and keep them free, from the domination of any one individual or group who might be in power.

So they framed the Constitution to safeguard their freedom and their rights; and into the Constitution went

the fruit of the political thought and progress of the preceding centuries. In the famous phrases, they made it a government of laws and not of men —a government of delegated powers, such that those in official position could not legally abridge the rights of citizens without their consent. Never before had the persons given political power been so definitely limited and prescribed in the extent to which they might control or regulate the actions of the individual citizens. And never before had there been such clearcut division of governmental functions into the three categories of legislative, executive, and judicial; such careful setting up of the essential balance between these different aspects of government; or such well considered and adequately devised methods of control.

Protection for the people

ALL this was done to protect the citizens from the disastrous consequences which inevitably result from the concentration of the various attributes of governmental powers in one person or group. The complex life of modern society requires such a scheme. Robinson Crusoe on his desert island needed no rules for the life of himself and his man Friday. But when men come together in any number they must have rules by which to live and governments to see that they are observed. The Constitution, therefore, undertakes to lay down rules for the life of the government on the one hand and the life of the individual citizen on the other.

Without going into details, it may safely be said that the cardinal rules which the Constitution lays down for the American Government and which combine to establish the importance of the Constitution as a great achievement in the political development of civilization are five in number. They are:

First. All power comes from the people. The people are the masters, the government and its officers their servants. In the language of the Declaration of Independence: "All governments derive their just powers from the consent of the governed."

This consent is expressed, both as to its nature and as to its limits, in the terms of the Constitution. This is the rule of popular sovereignty.

Second. The Government of the United States can exercise no powers except those expressly given to it by the Constitution which the people have adopted. It is a rule intended to protect the rights of a minority however small against the power of a majority however large. One man standing on his constitutional right is, by virtue of this rule, stronger than a thousand who would deprive him of that right. This is the rule of constitutional limitation.

Third. No man or set of men shall ever enjoy the despotic power of being able at one and the same time to make the law, to decide whether it has been violated, and then to execute judgment on the violator; that is, the same persons shall never exercise the legislative, judicial, and executive powers simultaneously. This is the rule of the separation of powers.

Fourth. Every locality shall have the right to look after its own affairs, free from outside interference. Only the National Government shall deal with national affairs, and only the states and their subdivisions with matters peculiar to themselves. This is the great rule of local self-government summed up in the phrase: "Ours is an indestructible union of indestructible States."

Fifth. The Courts shall have the right to protect and enforce the rules set forth in the Constitution, to declare any Act of Congress or legislature or President or governor or other person whomsoever which contravenes the Constitution null and void. This is the rule of the supremacy of the Constitution.

Restraints are on government

IT IS an interesting fact that, with the possible exception of the Eighteenth Amendment (which has been repealed), such restraints as the Constitution contains are imposed upon the Government and that such rights as it describes are those of the citizen. Accordingly, the Constitution lays down for every citizen of the United States two great fundamental rules. The first is the rule of equality; the second is the rule of freedom.

It is the rule of equality that every person born or naturalized in the United States shall have, as of right, all the rights and privileges which any other citizen enjoys. No titles of nobility shall ever be granted to raise one man or set of men above the rest. No state shall by its laws discriminate against the citizens of any other state. No one shall be a slave or serf or subject to any man, but an equal citizen to whom the equal protection of the law shall never be denied. And by the equal protection of the law is meant not merely fair and impartial trials, but the protection of laws that are themselves just and equal. Wherever the citizen comes into contact with the law, and wherever the law touches the citizen, there shall be no distinction of race or creed or condition in life.

And under the rule of freedom, every citizen who is willing to obey the laws shall be free to live his own life in his own way in pursuit of his own interest and desires. So long as he respects the rights of his fellows, he may think as he will, speak in public or in private as he will, and worship God in such manner as he prefers, no matter how many or how few may share in his opinions. All that he earns by honest means shall be his and no man shall take it from him. Neither

(Continued on page 62)

Coming in February

★ ★ ★

Wanted: A Second Declaration of Independence

By C. Reinold Noyes

HAS America ever actually been freed from the domination of Europe? Our first Declaration of Independence ended political domination. But have we not, in many other respects, continued in a sort of colonial subjection? Is this not the explanation of the agitation today to reorganize our social, economic and political life? Is this agitation native or alien? Is it progressive or backsliding? Does it fit our ways and needs or does it merely consist of importations from our various mother countries? Must we imitate Europe or shall we continue to carve out our own social and economic program?

The "Plight" of the Rails

By John J. Pelley

TAKING the "mystery" out of the much publicized "railroad problem," the President of the Association of American Railroads talks simply and frankly "to those whose interest in railroads is more than casual."

The Government Scatters Culture

By Warren Bishop

YOUR taxes are buying concerts, drama, novels, painting and sculpture for the masses. Whether you consider this good or bad, you must recognize a fundamental change in the conception of American institutions.

Washington and Your Business

By IRA E. BENNETT, for 25 years Editor, "The Washington Post"

Dear Mac: Business has been improving. All the generally accepted indices agree that Christmas trade so far (December 10) has been good; may reach a buying climax the greatest in years. Heavy goods production improves slowly, steadily; railroads are more hopeful; electric power production is at high levels.

Then why is business uneasy? One thing—uncertainty. Business wonders:

What further business "reforms" has the President in mind?

What new rules for business will Congress set up?

What will the Supreme Court do?

Let's try to answer, taking the third question first.

The Supreme Court

EIGHT major New Deal laws are under test. Uncertainty as to outcome prevents formation of fixed programs by Administration, Congress, and political parties. The budget and taxation are affected. Administration policies dealing with agriculture, labor, utility holding companies, government competition with business, farm mortgage relief, and slum clearance are on trial.

1. AAA. Two cases—Hoosac Mills and Rickert Rice Mills. Processing tax attacked, involving these questions: Whether tax is constitutional; whether Congress can delegate taxing powers to Secretary of Agriculture; whether Congress can regulate crop-growing within the States.

2. Bankhead Cotton Control Act. Questions of interstate commerce power and delegation of authority to administrative officers.

3. Guffey Coal Act. Question whether soft coal industry is not national interest justifying control of labor, wages, marketing under power of Congress to regulate interstate commerce. Federal Judge at Louisville holds Act constitutional under "general welfare." District of Columbia Supreme Court holds wage and hour provisions invalid.

4. Wagner Labor Disputes Act. Question whether labor disputes in industry so affect interstate commerce as to justify federal control under interstate commerce power. One lower court holds Act invalid.

5. Public Utilities Act. Two tests, one by companies refusing to register, alleging unconstitutionality; the other by Government, to compel Electric Bond and Share Company to register. Questions involve interstate commerce power, postal power, and delegation of authority.

6. Tennessee Valley Authority. Stockholders of Alabama Power Company sue to prevent company from selling system to Authority and to prevent Authority from competing with Alabama Power. Basic question involves power of Congress to put government in business.

7. New Frazier-Lemke Farm Mortgage Act. Questions involve "due process of law." Lower courts hold it invalid.

8. U. S. vs. Certain Lands in City of Louisville. Question whether government shares power of eminent domain with a state for purposes like slum clearance. Slum clearance program held up awaiting decision.

In Hoosac Mills and Bankhead Cotton Control cases government counsel argued necessity of laws under alleged power of Congress to promote general welfare. Opposing counsel deny Congress has any general welfare power.

What Will Congress Do?

CONGRESS is on the spot. Look at the situation: Elected overwhelmingly in 1932; lost little of its Democratic majority in 1934; now it's on the home stretch returning. Congressmen, with whom I've talked, are puzzled, a little afraid. Elections are coming. They can't deny the New Deal. But they can't continue unbalanced budgets and big debts. Folks back home ask "where is the money coming from?" The question is how to get money for the home district without voting tax bills. Keep that in mind as you watch day to day course of:

Neutrality: President wants a new resolution to replace present one which expires February 29. Present one forbids sale of arms, ammunition, implements of war to belligerents. Definition of "implements of war" was left with President. He limited them to materials actually used in combat. He said further that our citizens trading with belligerents or travelling in ships of belligerents did so at their own risk. (Ethiopia has no ships and no port.)

Today cotton linters, scrap iron and oil are being shipped out of American ports in Italian bottoms, paid for before shipment.

But sanctions by the League of Nations cover a wider field—all things necessary to keep a nation at war. Shall we follow the League? Don't know.

The Bonus: A full payment bill will be passed, probably with no provision for printing press money. The clamor for inflation grows less. Payment in bonds seems most likely method. Hope would be that large part would be held as savings. One proposal is for issue like present baby bonds, growing in value if not turned into cash. President's Atlanta statement that "great bankers" (see "Great Bankers") told him in 1933 that the country could safely stand a national debt of 55 to 70 billions has been interpreted as meaning that bonus payment by bonds would not be vetoed.

Appropriations: Bills must be passed. Budget will *seem* better. Regular expenditures will be kept down. Revenues are increasing. Certain expenditures may be transferred to regular budgets—notably CCC camps. "Out of the slums—the breeding ground of crime" might be the argument for. "Are we to make outdoor training of youth a part of a national program?" may be the rebuttal. Row may result. Old public buildings program might be revived in regular budget, taken from PWA.

New Taxes: Unlikely. Too near elections. But if Supreme Court invalidates AAA processing tax, new legislation might be inevitable. The problem isn't difficult. Secretary Wallace said the other day that if the processing taxes are knocked out, the money can be raised in at least eight other ways. One would be excise taxes on agricultural products, something like present excises on automobiles, tires, etc.

Federal Housing Program: Possible. Senator Wagner's

billion dollar revolving fund bill will come up. Passage is unlikely but Wagner is capable, influential. Should it pass, it means radical departure in government policy—actual government housing has never been proposed directly except $25,000,000 for Subsistence Homesteads. Tugwell's Resettlement projects, PWA and WPA are still "emergency," provided for out of blank checks Congress gave the President.

Ship Subsidy Bill: President wants it. He'll probably get it. It will change indirect subsidies represented by mail contracts to direct subsidies representing difference between American and foreign costs of operation and construction.

Food and Drug Legislation: President wants this, too. Passage is doubtful. Those opposed are ready for a hard fight. Logical measure to expect is the Copeland Bill providing, among other things, grade labelling. It has passed the Senate. House Committee on Interstate and Foreign Commerce has it now.

What Will the President Do?

GENERAL opinion is—very little affecting business. "Breathing spell" was more than a phrase despite recent statements about 3.5 per cent interest and Hopkins' blast about war between the "have's" and "have-not's," and Tugwell's war cry to farmers and labor to surge forward against industry. Correspondents at Warm Springs get impression he wants little legislation. Ship subsidy, yes. Food and drug regulation, yes. Neutrality, yes. Something resembling NRA codes? Not yet. (Don't take Federal Trade Commission request for more power to control business too seriously. Government commission always wants more power.)

The "horse and buggy" statement indicated the President still believes in code control of industry, but the scheme is not popular and election is coming. If he should be returned by a decisive majority, he will be in position to say: "The people have shown what they want. Let's give it to them even if it means altering the Constitution."

Organized Labor

LABOR (with a capital L) wants a general code set up. Failing that, it wants "Guffey Acts" for other industries. If the Court sustains that Act, Labor visions other natural resource groups setting up similar plans. This seems optimistic. Meanwhile A. F. of L. faces worst split in 50 years. Lewis' resignation as vice president may lead to withdrawals of individuals, perhaps organizations.

Row is over A. F. of L. set-up. Lewis and his supporters think organization should be based on industrial unions—automobile workers, railroad workers, mine workers. President Green and others cling to present organization by craft unions—machinists, painters, printers. Lewis supporters say Federation has failed to recognize change in methods of industry. They point out that leading American industries—automobiles, rubber, iron, steel—are practically unorganized, can't be organized on craft union basis. Lewis' own group, the coal miners, has always been organized as an industrial union. Fight has spread to printing, clothing, textiles, hats, others. President Green tries to make peace. Warns, "bitterness and strife will inevitably follow."

Incidentally, Lewis' plan is not new. Old Knights of Labor tried it. Skilled labor resented. Knights of Labor passed out.

In line with craft-industrial row, Berry movement raises eyebrows. Strategists surmise is shift from NRA to council of "management and labor" means an emphasis on labor questions. If successful might give him balance of power between industrial and craft organizations. Others say Berry's ambition is not in labor but in political field—that he wants to be governor, senator, Secretary of Labor.

Rural Electrification

REAL problem. Morris Cooke left Electric Home and Farm Authority to devote whole time to REA. Real reason for change is said to have been friction with Jesse Jones, RFC, on financing loans to buy electric equipment. Jones figured that, on EHFA terms, appliances would wear out before paid for.

Meanwhile, Government's plan to electrify 200,000 farms annually for ten years (cost $1,500,000,000) goes slowly. Plan is to lend municipalities, farm cooperatives, private power companies money to build rural distribution lines. Money comes from emergency relief appropriations; terms of loan, 20 years, interest, three per cent.

Only 11 loans so far totalling $2,350,000, mostly to cooperatives. Senator Norris says reason is that "private companies have skimmed the cream." Subsidy is seen as the answer. Others observe that, even with subsidy, for line construction, individual farmer must pay from $500 to $1,000 for house wiring and appliances. They believe this the real hurdle.

Politics—Republican

WHO will Republicans nominate? Don't know. Neither do they. Landon? Most prominent now, chiefly because of growing sentiment that he is like Coolidge—economy, simplicity, common sense. Knox? Politicians, both parties, feel he's too far out in front. Hoover and Borah? Maneuvering for position. Hoover is said not to want nomination but wants to pick nominee. Dickinson? Severe critic of New Deal. Probably too severe. Vandenberg, just the opposite, criticized for going along on too many New Deal measures. Still a contender. Party headquarters is thinking more of platform than candidate.

Feeling is that, if platform is good, anyone can stand on it. Party scouts are said to be hunting for a popular national figure not too much identified with politics. Other scouts are also said to be in Washington hunting new plan of farm relief. Must have it to win farm states. Problem is to find way to take money from Citizen A and give it to Farmer B without A knowing it. Discount rumor party will espouse Townsend Plan. Might win the West—would lose the East.

Business and New Deal

NOTE the increasingly out-spoken criticism of New Deal policies expressed by:

Member organizations of the U. S. Chamber of Commerce who declared in a referendum that:

1. Federal jurisdiction is not to be extended into matters of state concern.
2. The Federal Government should not spend without relation to revenue.
3. The Government should not compete with private enterprise "for regulatory or other purposes."
4. Grants of authority by Congress to the Executive Department should be within clearly defined limits.

The National Manufacturers Association which at its New York meeting declared for:

1. Expenditures confined solely to the proper and necessary functions and purposes of Government.
2. A currency maintained upon a dollar of fixed gold content.
3. Limitation of the use of Government's supervisory powers over banking and credit solely to the purpose of maintaining the safety of bank deposits and a sound credit structure, thus furthering our national welfare.

A little earlier, the American Bankers Association, meeting in New Orleans, elected as second vice president Orval D. Adams, opponent of Eccles and the New Deal, and declared, "public opinion in this country is against

any form of socialization." Adams' election assures him presidency in 1937.

Does this have political significance? Men who should know do not agree. Some call it merely public expression of views long held privately, hence representing no new opposition. Others believe the organizations sense change in public opinion which makes it safe to say things out loud they only dared think a year or so ago. One man, 40 years active in politics, suggests that no candidate or administration could be elected if opposed by preponderant business sentiment. Employees, in final reckoning in the ballot booth, decide their interests are tied up with employers.

Public Utilities

SITUATION is less tense since Registration Day (December 1) passed without serious casualties. Fifty-odd companies registered. Half were companies dealing in natural gas, hence in interstate commerce. Registered electric companies are small—five per cent of country's output. Others wait developments. SEC believes Electric Bond and Share "best" company for testing constitutionality of Holding Company Act. Attorney General intends no criminal suits pending results of civil proceedings.

Government by Laws or Men

UTILITIES registration demonstrates common reason why business men who come to Washington grow more and more uncertain. They complain that "government is by men, not by laws." Utilities *law* provides that unregistered utilities cannot use the mails. The *man,* Postmaster General Farley, suspends this provision.

Another example: The *law* limits potato production to five bushels. The *man,* Secretary Wallace, raises it to 50.

Business Councils

ROPER'S revival of Business Advisory Council is viewed here as a continuing gesture to show Government and Business cooperation. Some who follow the situation closely foresee rivalry with Berry's committee of labor and industry. "Which will represent the Administration in its dealings with business and labor?" Ditto, Wagner Labor Board. Ditto, Department of Labor.

"Great Bankers"

THE President has said that, in the spring of 1933, "many of the great bankers of the United States flocked to Washington. . . . I asked them what they thought the maximum national debt of the United States Government could rise to without serious danger to the national credit. Their answers—remember this was in the spring of 1933—were that the country could safely stand a national debt of $55,000,000,000 to $70,000,000,000. . . . Remember that at that time many bankers and big business men would have been willing to put the country far deeper into debt than I shall ever let it go."

This statement caused much Washington speculation. Impossible here to identify any really "great" bankers who would have said it. Many fingers point at Eccles.

Triple A Programs

Cotton. Contracts offered for years 1936-39. Adjustment for 1936, 30-45 per cent of a base acreage of 44,500,000 acres, which is likely to result in a production somewhat larger than this year, if crops are normal—perhaps in excess of 12,000,000 bales. Farm price November 15, 11.5 cents per pound. Parity, 15.6 cents.

Wheat. Contracts cover years 1936-39. Reduction permitted by contracts up to 25 per cent. Reduction for 1936 of 5 per cent. Not of practical significance except that it continues nominal control. Farm price November 15, 88.7 cents per bushel. Parity, 111.4 cents.

Corn. A two-year program. Production next year likely to be set at 10,000,000 acres below what would likely be produced without adjustment or about 20 per cent curtailment by contract signers. This is an increase. Farm price November 15, 56.4 cents per bushel. Parity price, 80.9 cents.

Hogs. Two-year contract. Production in 1936 to be 100 per cent of the base period with the expectation that pork supplies in 1936-37 will be about 30 per cent above that in the year beginning October 1, 1935. Adjustment program is designated to permit as large a production as would be produced without the program but to prevent regional dislocations in production. Farm price November 15, $8.54 per 100 pounds. Parity, $9.10 per 100 pounds.

Rye. Four-year program—1936-39. Production for 1936 limited to 75 per cent of the base acreage. Farm price November 15, 40.4 cents per bushel. Parity 90.7 cents per bushel.

Tobacco. Four-year programs are in prospect.

Peanuts. Program not announced. Farm price, November 15, 3.1 cents per pound. Parity, 6 cents.

Rice. Program not announced. Farm price, November 15, 66.2 cents per bushel. Parity, 102.4 cents.

Potatoes. Adjustment program limited to one year, December 1, 1935, to November 30, 1936. Tax exempt sales allotment set at 226,600,000 bushels, the average annual sales for the five-year period 1929-33. Sales of this volume are expected to be associated with a total production of about 350,000,000 bushels.

Watch Real Estate

EXPERTS trace the history of great booms like this: First, a real estate rise that attracts no attention except when very spectacular—as the Florida boom in the '20's. Second, an increase in production and distribution. Third, a tremendous boom in security values. Fourth, a collapse. Real estate prices are reported rising now. Eccles sees no need for steps to check a securities boom yet. Many cautious bankers feel differently.

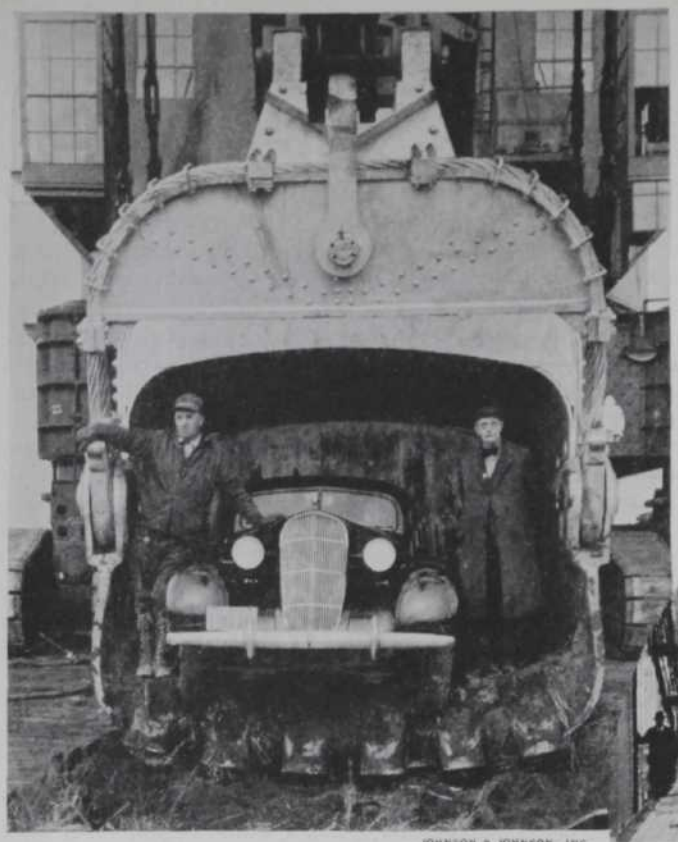
P. S.

A LAST-MINUTE note on Coordinator for Industrial Cooperation Berry's conference. Events at the opening session justified my last month's prediction of a dog-fight and likewise gave small prospect for formulation of any unified program. Berry opened the conference with a speech in which he said it was industry's party, then abruptly adjourned the general meeting.

John W. O'Leary, machinery man, and several other manufacturers asked for recognition to discuss procedure, inasmuch as Berry's letters of invitation stated that the arrangements contemplated were "subject, of course, to such changes as the meeting may recommend." Berry declared them out of order, then charged them with "deliberately coming down here to break up this meeting." A. P. Haake, of the Furniture Manufacturers' group, called Berry an "unqualified liar" and was answered in kind, Berry shouting, "Come up here and I'll make you eat it, eat it, eat it."

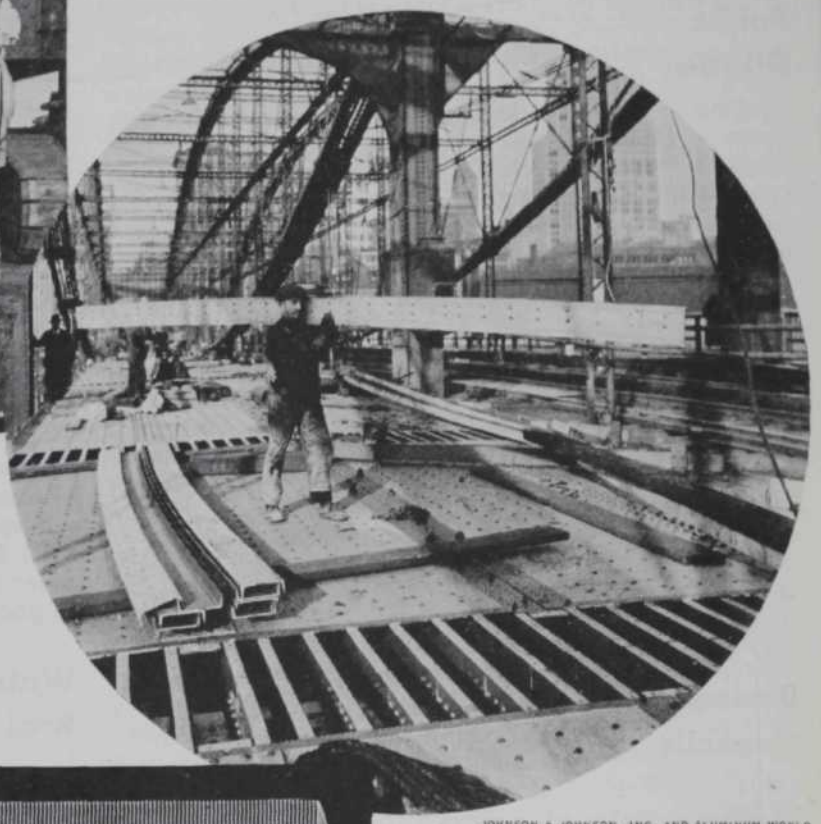
As I write (December 10) it looks as if what Moderator—his own appellation—Berry termed "the largest representative meeting of management, investment and labor ever held in the United States" would finish the Supreme Court's job of "Berrying" the NRA. More later.

A 50 Year



JOHNSON & JOHNSON, INC.

Need for lightness was the consideration in making this steam shovel bucket of aluminum





JOHNSON & JOHNSON, INC. AND ALUMINUM WORLD

Aluminum floors have saved more expensive repairs on many old bridges. (Left) a moustache comb of the '90's

"BUSINESS is a fight for markets." That's a commonplace. No one makes a product unless he knows, or thinks he knows, where he can sell it. But it isn't a fight where the winner is settled by a knockout or a decision after a fixed number of rounds.

It's a fight which never ends and never really is won. Just about the time the winner climbs out of the ring to pocket the prize money, his opponent gets up off the floor, pulls himself together and deals a new and deadly blow, or an unannounced competitor steps into the ring ready to beat them both.

If that seems fanciful, talk with the men who make and sell aluminum. It's only 50 years since the metal, brilliant in appearance, light in weight, began to be made in commercial quantities. Yet today it is still battling to hold the markets it has won and to find new ones.

The history of aluminum actually begins on February 23, 1886. On that date Charles M. Hall, a youngster of 22, proudly showed his sisters a button of aluminum. Before that, everybody knew that the world was full of aluminum but no one knew how to get it except at a cost that made it either a curiosity or a precious metal. It was $100 a pound in 1855 and a Pittsburgh man recalls that his father was in Paris in 1879 and wished a novel present to bring home. A jeweler offered him opera glasses mounted in either aluminum or platinum—and at the same price. He took the aluminum.

By 1886 the price had dropped to $8 a pound but, even so, aluminum might now be competing with silver for a place on the dinner tables of a few hundreds instead of battling for a place in the kitchens of millions if Hall, graduated from Oberlin in 1885, and working with homemade instruments in a woodshed laboratory, hadn't developed the electrolytic process. That was the beginning of aluminum as a commercial possibility.

This isn't a story of aluminum. It is a story of markets, but it is pleasant to record that, unlike the fictional inventors who die in garrets after having been robbed by the greedy rich who steal their patents, Mr. Hall died in Florida in 1914, leaving a considerable estate, a large part of which was devoted to education.

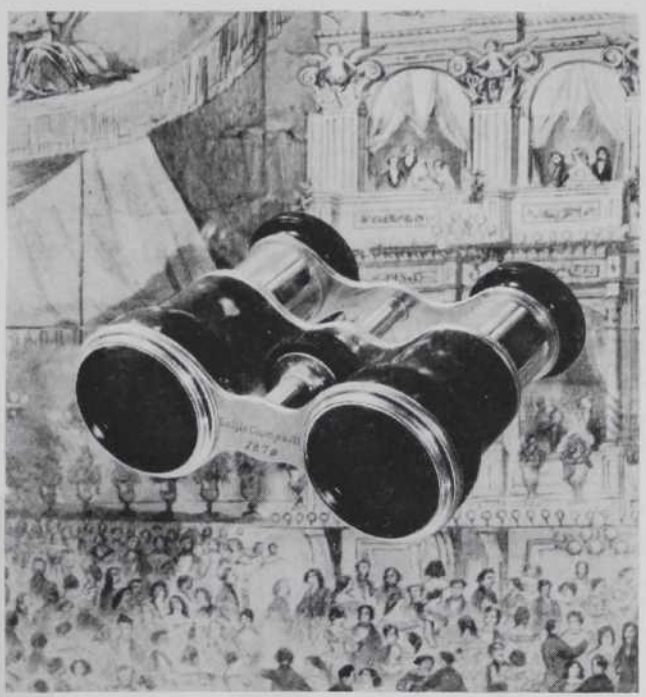
Armed with Hall's discovery a group of young Pittsburghers organized, in 1888, the Pittsburgh Reduction Company. One of the group was Alfred E. Hunt who became its president and whose son is president of the Aluminum Company of America today.

They were soon turning out 50

Fight for Markets

By WARREN BISHOP
Managing Editor, Nation's Business

SUPPOSE you had developed a useful material, were prepared to produce it cheaply and were confident that it could be used to advantage for a number of purposes. But suppose nobody agreed with you and nobody would buy your material. Your problem would be difficult but not unusual. Here's how one industry solved it



JOHNSON & JOHNSON, INC.

In the beginning aluminum was either a novelty or a precious metal. These opera glasses, of that metal, cost as much as silver



THE ALUMINUM WORLD

Aluminum exhibit at the Pittsburgh Exposition, showing typical aluminum products as made in 1894



JOHNSON & JOHNSON, INC.

Makers of aluminum early recognized cooking utensils as a likely use for their product—but they had to make them to prove it

pounds a day. They could have kept a price of $8 and made money. But no one wanted that much at that price. They cut the price to $2 a pound in half-ton lots and still no one wanted it. Who in the world could use half a ton of aluminum? Furthermore, did any one have that much? As Hall later wrote to a friend:

"People have said we didn't have 1,000 pounds. They were wrong, but they might have said that, so far as the users of aluminum were concerned, practically no one wanted 1,000 pounds."

So there was aluminum, producible in increasing quantities at lessening prices—all dressed up but no place to go. That was the problem in 1889. It was a novelty if no longer precious, and a novelty has a market value. That's why in the late 80's and early 90's folks came home from the seashore or a "World's Fair" with a pin tray or a pair of salt and pepper shakers to show to their admiring neighbors who said, "Why, that's pretty," and then, "Gracious, ain't it light?"

Yet today this novelty of the early 'nineties has become the fifth ranking metal in point of tonnage produced and used. It is surpassed only by iron (and steel), copper, lead and zinc—metals whose commercial histories are as old as the hills. And the price has gone from $8 down to 20 cents a pound. So much for contrast!

Nearly the first real invasion of a commercial market was in the field of cooking utensils. Aluminum was light, attractive, highly conductive of heat and didn't contaminate food. Arthur V. Davis, now chairman of the board of the Aluminum Company but then superintendent of the little plant, figured that the pot and pan business, or at least a good part of it, belonged to the novel metal.

He set out to convert Eli Griswold of the Griswold Mfg. Company of Erie. Mr. Griswold was interested, politely, but not inclined to make over his plant just to use a new material. Finally Mr. Davis borrowed a mechanic from the Griswold plant, went back to Pittsburgh and made some tea kettles. He took them to Erie and dumped them on Griswold's desk. Would Mr. Griswold now make aluminum kitchen things? He would not, but he would buy 2,000 of the novelties. Mr. Davis retreated to Pittsburgh and the next step was to finance and build a plant where cast kitchen utensils could be made.



A triumph of 1896. Combination cane, flag staff and trumpet for campaigners

Fight to hold the market

THE Pittsburgh Reduction Company and its successor, the Aluminum Company of America, never did get out of the business. It wanted to sell aluminum and, if the only way to sell it was to make kitchen things, then they'd make them. In fact, it got farther into the business in order to save a market. Other manufacturers had begun to make aluminum wares, using sheet aluminum. Then, to save money, some of them used so thin a sheet that housewives were concluding that they didn't want the metal. So the Reduction Company took over a defunct fabricating company to make sheet utensils in self-defense and to set a standard.

But don't get any idea that alumi-

(Continued on page 55)



Most of its rivals are metal but, in the field of building insulation, aluminum also competes with cork, asbestos and wood



Steel still makes the girders but, in building decoration, aluminum finds a market

Wanted: Business Statesmanship

By HARPER SIBLEY
President, U. S. Chamber of Commerce

"IF American business demands that emergency measures be relaxed with all rapidity and that controls temporarily assumed by the Government be restored to industry, then industry itself must show that it is willing and able to assume these controls"

EVEN the most casual study of recent federal legislation reveals the tremendous effect which these new laws are bound to have on men and women in every walk of life.

Not only has an unusually large number of bills been passed by Congress and signed by the President, but this legislation has covered many different fields of human activity, some of which were never heretofore considered as belonging under federal jurisdiction.

To chart any "course" it is necessary to start from a base and then project the line of movement in the direction in which it is proceeding. Let us, therefore, attempt to establish the base of fundamental assumptions and century-old traditions that practically everyone in the United States—our Presidents, leaders of both parties, Congress, the chambers of commerce, and the general public—heretofore presumed to be almost as self-evident as the Ten Commandments.

These assumptions and traditions formed the background of political action. In effect, they represented inviolable limits of power, authority and action. They were standards to which any legislation, if it was to have a chance of passage, had to conform as a matter of course.

Some of these assumptions and traditions were instinctive beliefs deep-rooted in Anglo-Saxon heritage, such as

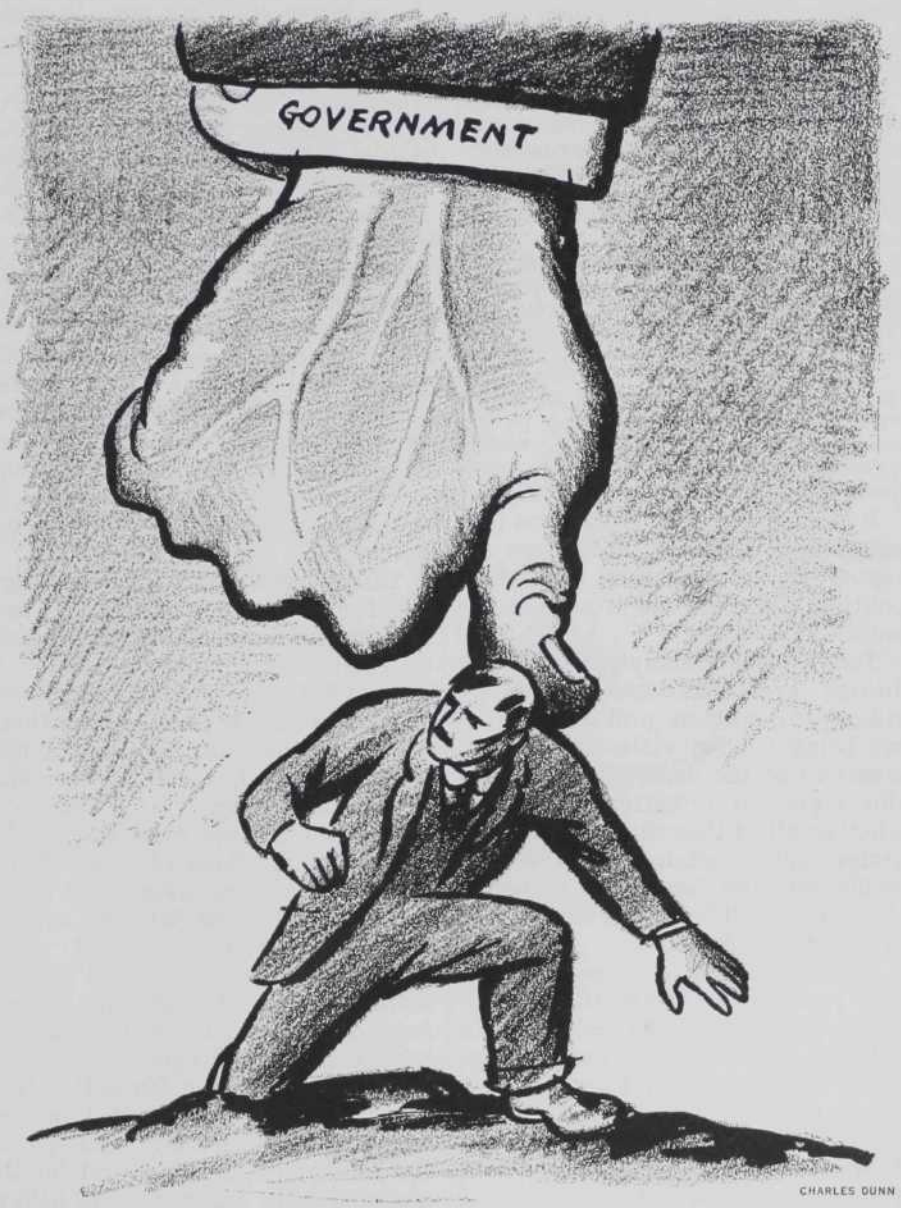
—that individual freedom, liberty within the law, the right of individual initiative and enterprise, were heritages that never would be bargained away in return for any inducement.

—that the people were sovereign, with government their servant and not their master.

—that America, American traditions and American institutions, were rightly conceived and superior to the corresponding elements in any other national culture.

—that the Constitution of the United States, except as it might be amended by orderly process, created the most liberal and practical form of government ever devised by man.

—that the American plan of social and economic organization afforded standards of living and assured a breadth of distribution of wealth and income for all of the people beyond those afforded by any other known plan.



The taxpayer and business man must take serious concern over recent legislation the primary purpose of which is coercion

—that legislative and executive action always would be kept within clear constitutional bounds.

—that, although the executive might make recommendations, laws would be drafted, independently considered and voluntarily enacted by Congress, with subsequent power of the Executive confined to administration of such laws.

—that any party in power, except perhaps in war time, would keep the finances of the Government in order, avoid deficits and, if possible, reduce taxes and the national debt.

—that Congress would not deliberately legislate for the welfare of one class and for the punishment of another.

A final group of such background elements *were in the nature of economic beliefs* ingrained in the American people, such as

—that the well-being of the nation's business activities must be conserved and furthered at all costs, and that any legislative proposal which would seriously threaten such well-being was bad *per se*.

—that government action would never interfere with or deliberately retard the normal pursuit of lawful economic activities—the making and performance of contracts, the planting and growing of crops, the manufacture and distribution of articles of daily use.

—that the lower taxes were kept, the more certain was the advance of economic prosperity.

—that the man or firm which, in seeking a profit, undertook activities that afforded employment for other people—whether ten, or 1,000—was socially desirable, worthy of freedom of action and protection under the law, and should be encouraged.

—that it was unfair, tyrannical, and dangerously impractical for Government to enter into, or finance, any direct ventures which would compete with the lawful enterprises of its own citizens.

—that the government allowed all classes of people to engage in lawful enterprise for profit, and had no responsibility to recoup, finance, underwrite, or save any one from the penalties of individual losses or mistakes.

By and large, those conditions prevailed until recently. They were accepted background for the whole political and economic process of the nation.

Today these assumptions and traditions are challenged on many sides—the nation and the world are being shaken violently—change seems to be the order. Business has the right to question, however, whether all of this change is for the better, and it certainly has the duty to discover the destination to which this course will bring the nation, if it is possible to do so.

In these past three sessions under the present Administration, Congress has enacted 900 statutes. In point of volume alone this is something of a record. And many of the bills are of unusual length. The Public Utility Act, for example, is a document of 67 closely printed pages. The Agricultural Adjustment Act, with its amendments, consists of 90 printed pages, while the Banking Bill has 44 printed pages subdivided into various major sections. Many of the provisions in these various pieces of legislation are extraordinarily involved. Some must run the gauntlet of judicial interpretation and approval. Even with each of the specialized departments in our National Chamber of Commerce working overtime, each studying the particular bills falling within its own field of interest, we have not yet been able to grasp and interpret the full import of all this mass of legislation.

Destination not considered?

FRANKLY, we wonder whether the members of Congress themselves have any real appreciation of the broad implications and the long-range commitments of their own work, so busy have they been struggling over and conferring and finally passing the individual bills. Inevitably, we have all been so concerned over what specific acts would do to us or for us that we have had insufficient time to consider what the legislation as a whole would do to or for the nation.

Moreover, in any consideration of this legislation, it must be admitted that the American people, including American business, certainly demanded that Congress take emergency action during the storms of depression in 1932 and 1933. Every hurricane, however, blows itself out in due course and the life-preserver which is so necessary when the ship is sinking becomes a heavy burden when man is back on dry land. Moreover, although an artificial stimulant or a shot in the arm has pulled many a victim through a crisis, they are no sound basis for normal and enduring living.

This present situation is not a new one for mankind. After every new low in the long series of business depression cycles, the tendency is always for man not to blame his own human weaknesses and indiscretions, but to lay the cause for the troubles on the political, social or economic system of the day.

At such a time even the fundamental assumptions and ancient traditions of the race are shaken. So today we face a similar and critical moment in history.

Let me point out certain specific instances from the long list of new federal bills which certainly undermine ancient traditions.

I have called attention to the time-honored acceptance that Congress would not deliberately legislate for the welfare of one class and for the punishment of another. I still believe that the American ideal of fair play will denounce, in the long run, any program penalizing one general group because some members of it have failed to be worthy trustees in their public responsibilities. Yet the policies clearly apparent in the Administration's drafts of the recent tax bill, in the Public Utility Act, in the Securities Act, in the air mail cancellations, all point to a punitive attitude.

Another assumption—that any political party in power, except perhaps in war time, would keep the finances of the Government in order, avoid deficits and, if possible, reduce taxes and the national debt was certainly shaken when, in the relief appropriation Act of last April, we saw a fund of $4,880,000,000 turned over to the President to be used in his discretion and under his direction. This is clear and amazing abdication by Congress of its long-cherished function of controlling the purse strings—a fundamental aim of the long struggle of Anglo-Saxon democracies against the sovereign power.

Such abdication is accompanied by a seeming complacency in the acceptance of unbalanced federal budgets; in an unwillingness to treat emergency relief as a trust fund which, although absolutely necessary at times to relieve the human sufferings of unemployment, must be taken, every cent, in taxes from these who still have work or income from savings. Of course, the American people are eager to relieve the distress of their brothers, but they have the unquestioned right to demand that there shall be no *light-hearted waste* of this tax money and that it shall never be used for political purposes.

Government goes in business

THE taxpayer and the business man also must take serious concern over the rapidly expanding agencies of Government which compete directly with private enterprise. Furthermore, the use of the taxing power not primarily for revenue but for the unmistakable purpose of coercing business men and farmers into certain social or economic programs of the Federal Government which cannot be accomplished by the ordinary exercise of federal authority, would certainly have been considered only yesterday as an indefensible misuse of this taxing power—and is so considered by us today. I refer, of course, to such bills as the Bankhead Cotton Control Act, the Bituminous Coal Act, the Potato Act, which lay confiscatory taxes on those who do not join in the federal program.

We need not wait for the future to reveal what the outcome of these trends must be—if long continued. It

(Continued on page 50)

Still, After Ten Years—

Babbitt Pays for Babbitt Baiting

By HARPER LEECH

A DECADE ago, this writer pointed out in this magazine that business men themselves were making it possible for their critics to portray them as prehensile dumb-bells. Today he finds business still financing those elements which are trying to lower its prestige

IN INTRODUCING one of his yarns the other day, Bruce Barton wrote:

"In the days when leaders of business enterprises were still considered honorable men and fit subjects for home magazines I was commissioned to interview one. . . ."

Mr. Barton writes as of a golden age of the past. He writes as if he were sorry for business men and, as he himself has become no mean business man, his observation implies that he is just a little sorry for himself.

That plaintive note seems to be general, among some groups of business men at least. La Salle Street in Chicago wears an air of martyrdom, and many bankers seem to like the rôle of injured innocents. I do not think that being sorry for one's self is either admirable or helpful. I doubt whether it is conducive to a more rapid business recovery.

Whether or not the depression which began in 1929 was deepened by the storm of abuse which soon engulfed the business community I cannot pretend to say. In war the importance of imponderables is generally recognized; but despite the great stress placed upon confidence by many business writers, there is no scientific evidence that moods or morale have any economic effect. So I am not going to write about that.

All I propose to do, with the kind permission of the editors of NATION'S BUSINESS, is to utter the most unpopular words in the English language—"I told you so!" Just ten years ago in this magazine, under the heading of "Babbitt Pays for Babbitt Baiting," I pointed out that the business men of the United States were being portrayed as a bunch of prehensile dumb-bells by the popular novelists and dramatists of the day. I said that they were taking it lying down, and predicted that this would have a bad effect upon the oncoming generation. I urged that business men show their resentment of such mis-



Business ownership and management finance the very elements which have lowered their prestige

representation and develop some of the healthy gang spirit which has contributed so much to the strength and vitality of labor unions.

If saying "I told you so" is unpopular now, so was my song in 1925. The article elicited a considerable amount of comment here and abroad —and very little of it was favorable.

Another one on the same theme called "This Word War on Business" stirred up many of the animals in the pink menageries of Greenwich Village and other lairs of the intelligentsia.

Ten years later I still insist that NATION'S BUSINESS was attempting to do a service to the business community by printing those articles. There is no use blinking the fact that business men are unpopular today, although bankers are far more unpopular than industrialists.

Pendulums swing both ways

I LOOK for a turn in this tide of thinking, but not so much because of what business men may do as because the public is now rapidly growing weary of the pink professor and the social worker. These groups have been given enough rope under the present administration to hang themselves, and it looks as if they were going to do it.

Shrewd politicians already know that among the millions on relief there is far more resentment than gratitude. This is an old phenomenon. When Bismarck was forcing the adoption of a highly regimented and socialized system of life upon the working men of Germany, their resentment of paternalism was so pronounced that Bismarck was compelled to govern unconstitutionally without consulting the Reichstag for several years. The opposition to his program of compulsory insurance, pensions and such was actually stronger among the masses than among the industrialists and big land owners.

We seem to be entering a similar phase of popular thinking in this country. The truth is the social worker never has been popular with the higher grades of working people. They resent the meddling of the uplifter as keenly as they resented the snooping of the prohibition enforcement agents. The old labor union slogan "Put it in the pay envelope," which was the usual reply to the introduction of paternalistic uplift in industrial plants, still represents the inner convictions of most working people.

It has been amusing to note the blithesome ignorance of these facts exhibited by the professors and social workers who have been having such high jinks in Washington under the New Deal. Right here in Chicago the remains of the old industrial town of Pullman still stand to remind us that one of the most sanguinary industrial struggles which ever occurred in America grew out of the ill-fated attempt of George Pullman to be a papa as well as a boss.

In this coming reaction, however, it appears that the business man is going to be merely a passive factor in his own regeneration in popular esteem. Looking back over the past ten years it is practically impossible to find any proof that he has recognized the significance of the assaults made upon him by the more or less parasitic social groups which do not like him. On the contrary, business ownership and management continue to finance the very elements which have lowered their prestige.

Probably the greatest contribution to its own defamation which business makes cannot be charged to any living business men. Ill considered bequests of vast sums of money to impersonal perpetual foundations and endowments have created foci of antibusiness sentiment. The people who live on the income of these endowments would of course feel as they do even if no fat salaries were provided for them out of the estates of dead industrialists and financiers, but their means of expression would be limited indeed. At present they have enormous facilities for publicity and for financing all sorts of alleged researches and surveys for the purpose of discrediting capitalistic enterprise that they would not possess if these huge funds had not been set aside for their use.

Something more than $2,000,000,000 has been bequeathed or given outright to such foundations in the past 15 years. The creation of this great tax exempt "dead hand" interest has had so many bad effects that it is impossible even to trace them. Certainly these organizations have intensified the evils of fixed overhead and absentee ownership of business. Around them have grown up whole categories of kept men and women, among whom can be observed all of the historic evils of monasticism, relieved by few, if any, of the virtues of monasticism. Except for bequests and endowments in aid of research in the physical sciences, the philanthropy of business men has been worse than waste, it has been a positive social injury.

The effect of these organizations upon young people has been two-fold, but both effects are inimical to the prestige of the business man. For the frustrate, sissy and weakling these huge funds have either served as nurses, or at any rate as fountains of inspiration which have fed their willing, plastic minds with propaganda calculated to confirm them in their discontent with present-day civilization.

The more objective, aggressive and virile groups have reacted in an entirely different manner, of course. For instance, the great majority of undergraduates in American universities today thoroughly despise the noisy little groups who take their cue from the pink pedagogues on the faculty. But this contempt in many cases extends to the board of trustees and to the rich men who have either founded the endowments or who contribute to them.

At the recent hearing in Chicago by the Senate committee investigating alleged subversive influences on the faculty of the University of Chicago, a militant "red baiting" lady from one of the Chicago suburbs spoke of one of the leading business men of the city serving on the board of trustees as a "cream puff." The laugh that went around the town at that remark showed that the shot had gone home.

There is no question that thousands of young men in America today look upon bankers and business men as saps simply because they put up the money for pacifist, socialist and communist propaganda without apparently having sense enough to know what they are doing. It seems that it was a reaction of that sort among the unemployed young fellows of Italy and Germany that contributed greatly to the rise of Messrs. Hitler and Mussolini. So far no demagogues have appeared in America to capitalize on the sentiment, but there is no question it is growing.

Business is not clear to youth

ANOTHER thing that has contributed to this feeling among the inarticulate but strong-willed and strong-muscled lads who make up the bulk of present high school and college students has been the attitude of business men towards dealings with Soviet Russia. It is all very well for economists, libertarians and business executives to explain to each other that there is nothing inconsistent in opposing communism in Russia and at the same time doing business with a communist state. I am not going into the merits of that position. It has been the classic attitude of traders for centuries. That it was all right for Christians to manufacture idols for cannibals has been good doctrine in Manchester and Birmingham, England, for more than a century and a half.

The only point I want to make is

(Continued on page 61)

Twenty-One Years of Self-Rule

By PAUL H. HAYWARD
Of the Staff of Nation's Business

CAN business govern itself? A look at the record reveals some positive answers to this often repeated question. There's the case of the Audit Bureau of Circulations, for example—

IS NEW NRA legislation essential to the enforcement of fair trade practices? Some, answering affirmatively, say that price-cutting and other unsettling practices indulged in by a few can demoralize an entire industry. Only government-enforced regulations can keep "recalcitrants" in line, they argue.

Others, no less opposed to such dealings, contend that governmental rules against practices which are not popularly considered dishonest or immoral are doomed to fail simply because such rules will not gain the public support necessary to their enforcement. Government compulsion, they feel, can be effective only in connection with those trade practices which offend common honesty and morals. The less political fumbling with practices relating to prices, wages, deliveries and other more or less technical matters, they declare, the better.

Business can police itself

SOME in this school will concede government a proper province in lending its good offices and guidance to industry in efforts to control this latter class of practices. Others would shun even this aid. Whatever the merits of partial or complete exclusion of government from industry's housecleaning efforts, industry after industry has demonstrated that, given a determined will to end unfair and uneconomic practices, government-enforced regulations are by no means essential to effective broom wielding. Their experience indicates that, although voluntary cooperative action against trade evils, depending as it does upon patient education, may not offer the spectacular overnight cures envisioned by the "there-ought-to-be-a-law" school, its results in the long run are more lasting and substantial.

A case in point is supplied by the advertising and publishing business, one of the most fiercely competitive of them all. On the publishing side, this business, like Gaul, is divided into three parts—editorial, circulation and advertising. The editorial menu attracts readers, or circulation; this reading group attracts those who have a selling message which can be told through the advertising columns.

Circulation is thus the product which a publisher has for sale to his customers, the advertisers. And the quality of circulation—that is the income, intellectual levels, and, in some cases, the businesses or professions of a publication's readers—is often as important a measure of what the publisher has on his shelf for advertisers as the quantity of circulation. It is this vital relation which circulation bears to the publishing business that accounts for publishers' constant efforts to keep or win readers, efforts which have ranged all the way from the politer forms of competition to more or less violent circulation "wars." This exuberantly competitive spirit between publications has also been reflected on occasion in falsified or exaggerated circulation figures.

Twenty-one years ago the situation reached a point where advertisers viewed with suspicion the circulation claims and counter claims of nearly every publication. Honest publishers suffered for the misdoings of their less honest competitors. The publishing business and advertisers alike realized that corrective steps were in order.

These were taken in 1914 through the organization of the Audit Bureau of Circulation, a fact-finding body embracing publishers, advertisers and advertising agencies. Its objects include the setting of standards for measuring the circulation of its publisher members, the issuance of verified statements through actual audit of publishers' records, and compilation of verified data bearing on quantity and distribution of circulation and the methods by which that circulation was obtained —whether by premiums, contests, club offers or other means.

Helping the customer

BASICALLY it was an attempt to give advertisers, in their rôle of customers of the publishing industry, full knowledge of what they were buying when they contracted for advertising space. It is significant that controlling voice in ABC affairs was given not to the producers, or publishers, but to the consumers, or advertisers. They still hold it and publisher members are eager that they continue to do so. It is clearly perceived that otherwise the publishers would be put in the light of auditing their own figures, with a resultant loss of confidence in ABC data.

As with any organization of this nature, there were dissenters and holdouts. There were honest publishers who considered the idea of outside auditors coming into their offices to check their circulation statements as a reflection on their integrity. There were other less honest publishers who foresaw a deflation of their circulation figures through such audits.

But the ABC filled a definite need and its useful purposes became increasingly recognized as it patiently pursued them. By 1922 its membership had grown to 137 general magazines and periodicals, 84 farm papers, 247 business publications, and 816 newspapers. Today it includes 1032 newspapers, 233 business papers, 55 farm papers, and 183 general magazines and periodicals.

Operations, involving an annual

turnover of $400,000, are conducted from offices in New York and Chicago, under Managing Director O. C. Harn, for many years advertising manager of the National Lead Company and a recipient of the Harvard Award for Advertising. Under him is a staff of 60 travelling auditors, who last year made 1,510 audits. While suspensions and consolidations of publications rob the numerical comparison of memberships of much of its significance, it still indicates the ABC's growth and acceptance. More significant is the extent to which "Member of the Audit Bureau of Circulation" has become the hallmark of quality which advertisers demand in a publication when buying advertising space.

It is this demand by advertisers which lends weight to the big stick whereby self-government is made effective in this industry. The Bureau's board of directors, which has included many executives from the top ranks of the publishing, advertising and general business fields, operates in both legislative and judicial capacities, for it makes the rules and acts as a court before which publishers have a right to appear either to appeal from a decision of the management or to answer charges of a breach of the rules. Censure, suspension or expulsion are the penalties for the latter and they are penalties no publisher lightly risks.

Cases of expulsion for fraud, it should be said for the benefit of the publishing industry, have been extremely rare. Disciplinary action sometimes brings blustering and threats from publishers charged with rule violations—but in the end they usually take their medicine like little men.

In one case an indignant publisher, convinced that he was being wrongly accused, prepared to fight the Bureau's charges. Then he learned, to his own surprise, that his circulation manager, in an effort to earn a bonus, had been faking circulation by dumping bundles of papers. The circulation manager lost his job and the publisher threw himself on the mercy of the ABC directors.

A remark made at the 1933 ABC convention by a publisher member indicates the way in which these rules are enforced. Both ABC and the Post Office Department have certain rules relating to paid subscriptions and so forth. Touching on these, this member said:

"Circulation managers know from experience that an ABC rule means what it says and there will be much less chance getting out from under the ABC rule than from under the post office rule."

Changes meet new conditions

THIS body of law which has been built up within ABC is far from a static thing. Every ABC convention brings debate and discussion and often amendments and additions as continuing experience shows them to be necessary to advance the objectives of the organization.

The contending forces within the ABC variously represented by the rival publishers, the seller element which these publishers collectively comprise, and the buyer element which the advertisers and advertising agencies comprise, generate friction and heat in abundance at these annual meetings.

Yet the underlying objectives of the ABC are of such fundamental concern to all that, through the 21 years of the organization's existence, these conflicts and differences have always been composed in friendly fashion. The most recent instances occurred at the annual session held last October in Chicago. A rift was threatened for a time by differences on several points, the most fundamental being the newspaper publishers' demand for increased representation on the board of directors.

The newspaper members contended that the four seats allotted them were insufficient to represent their widely scattered and diverse elements. The compromise agreement that was finally unanimously approved met their primary request and still retained to the buyers controlling vote on the board. It provided for raising the number of directors from 25 to 27, the newspapers getting six, and the other member groups retaining these numbers: advertisers, 12; advertising agencies, 3; magazines, 2; farm papers, 2, and business papers, 2.

So the ABC continues in its rôle of friendly policeman to the industry, a rôle in which it has done much to raise publishing and advertising standards in this country and Canada. Indeed, through the confidence it has established between sellers and buyers, it is credited with being perhaps the greatest single factor in advertising's outstanding development on this continent.

Part of this successful record of industrial self-government, as earlier indicated, has been due to sound objectives and patient work and education. Part has been due to the type of men who have been willing to devote their time to the direction of the Bureau's affairs, and another and important part was pointed out by ABC's president, Philip L. Thompson, of the Western Electric Company, in a recent report in which he contrasted ABC and governmental efforts at industry control.

"It is significant," he remarked, "that the past year has witnessed a showdown on the vitality of both the ABC and the NRA. The government-made institution had failed to meet the test, even before the Supreme Court's decision finally killed it. The ABC in the meantime has withstood the test and come through stronger than ever. The one failed because its regulations were imposed from without. The other survives because its rules are self-imposed and it has the ability and the will to modify its rules to adapt them to new conditions. Where coercion failed, voluntary cooperation has proven itself—a decisive answer to those who clamor for regimentation of industry."

—PAUL H. HAYWARD

Business Man with the Hoe

INDUSTRIOUS, his busy hoe he plies
Before the critical, unfriendly eyes
Of kibitzers who never raised a crop
Yet tell him where to dig and when to stop;
And how to hold his hoe and sow his field;
Condemn his human faults. And from his yield
Take more and more, and damn him for his greed
When he protests they leave him naught for seed.

Should he, discouraged, throw away his hoe,
Then progress, jobs and wealth would cease to grow.
If he they brand "unsocial parasite,"
A "gouger," "menace," "bleeding people white,"
Should finally surrender to despair,
The kibitzers would have no wealth to share—
And who can build an earthly paradise
With nothing to contribute but advice?

PAUL McCREA

The Same Old Medicine Show

By CHARLES MORROW WILSON



ALL ILLUSTRATIONS FROM CULVER SERVICE

In 1894 "General" Coxey (being met here by reporters on bicycles) led an "army" of unemployed to Washington seeking Government work. Forty years later the Government adopted a "work relief" program

IT WAS a forlorn night and the lamp post in front of the corner drug store was vacant except for Old Bill.

Bill used to be known as a spellbinder but he's lost his spell. Bill went into politics because a charley-horsed leg interrupted his career as a prize fighter.

On the whole he found the transition reasonably easy. Pugilism and politics have a great deal in common. In either, a man must keep forever on his toes. In either, a man must play to the crowd and swat so that the mob can see and hear.

As a politician Bill took it in the nose literally. He didn't mess with mimeographed speeches or press agents with pinched spectacles. He called himself a Square Dealer and worked for the laboring vote. On entering a lodge room or union meeting, he took pains to raise some manner of rumpus at the doorway.

Quite skillfully he would encourage the sergeant-at-arms or the bouncer to take a sock at him. When the sock was given, Bill would face the audience.

"Men, I came here trying to do the square thing. This is the welcome I get—a punch in the nose!"

It was a good entry. It stirred a plain man's pity toward one who is persecuted or misjudged.

The crowds were inclined to listen and Bill did the boss considerable good on the far side of the tracks.

Then the New Deal came along with its statistics and planners. It couldn't use Bill. So Bill waits beside the lamp post. Trying to be cheering, I mentioned politics. Bill sighed as he answered:

"They call it the New Deal, but it's old as Hector's mother. It's the same old medicine show—only not one of them smoothies in Washington now can hold a candle to the old-timers—like Ignatius Donnelly of Minnesota, Jeff Davis of Arkansas, or even Mary Lease of Kansas."

All these people lived and did their spellbinding back in the uncertain 'Nineties—present time excepted, the greatest spellbinding era this country has ever known. The background was much the same. An era of plenty dovetailed with stretches of hard times. That is always the heyday of the spellbinder who stands oratorically in favor of the underdog and the little man, thereby playing to self-pity, the oldest and surest of all mortal recreations.

In the 'Nineties the West was being punctured by short, hard-tripping land booms and the South was being harassed by sagged land values and a terrific drought of credit and banks. In 1890 there were only about 400 national banks in all ten of the Cotton States, and at least half of these were in Texas.

Close of the Civil War saw a circulating currency of about $2,000,000,000. Between



Ignatius Donnelly

IN 1890 he said: "The first right of man is to have everything essential to his happiness. Whatever stands in the way is not constitutional law." Modern disciples of the "fuller life" should read his speeches—or maybe they have

1865 and 1890 the American population almost doubled, its consumption of goods more than doubled, but the volume of circulating currency was actually below 1865 levels. And although the average *per capita* wealth had probably climbed from about $200 to about $2,000, cash was rather sparse, pants were frequently patched and the stage was set for a rash of political medicine shows, just as it is today. Therefore, in farm realms and towns alike, spellbinders came forth to bait the throngs.

Appealing for votes

"FRIENDS, I'm your (Attorney General) (Governor) (U. S. Senator), etc., and I'm asking another term. I'm a free will Democrat and I believe in paying your honest debts, saving seed potatoes at home, and washing feet at least once a week. I got eight children and nine pointer dogs down at the state capital. In case any of you folks ever come down to the capital, don't go to a hotel. Just come out to my house and make it your home. You may find my wife out in the back yard boiling down soap. But just go around and tell her you're voters of this state and friends of Jeff Davis. The fatted calf will be killed, and as soon as I get home from work I'll roll down some big yellow yams, fry some country ham and about two dozen eggs, and we'll sit and eat ham and eggs till we have every old hen along the Arkansas River started cackling."

That was Jeff Davis, of Arkansas, in the act of spellbinding. In the opinion of competent critics, Mr. Davis was the greatest of all great spellbinders. Until his death in 1912 as a United States Senator, during a life-time of politics, he never lost a campaign. In spontaneous force, in accuracy of appeal to a one-gallus public, modern apostles of plenty for everybody can't rival him. Neither can the New Dealers.

It is true that the New Dealers have supplied and continue to supply mass entertainment which is the real working tool of proficient spellbinding; entertainment geared to the reliable sympathies of the common man—make him cry until he digs his knuckles into his eyes; draw sharp lines between the rich and the poor, the vested and the unsheltered. Proclaim and attack at least one reliable evil and center the attack upon specific individuals, preferably rich men. These are old and enduring rules of the game.

But the modern medicine show is festooned with big and obscure words, innumerable initials, inconceivable digits; it has so many different rings, bands, clowns, elephants and assistant ring masters that the effect is rather beyond the grasp of a plain citizen. More adroit mob-baiting would center the show in one ring or upon one platform.

In spite of this faulty technique, however, it is the same old show, as a comparison with the spellbinding and "social planning" of the 'Nineties will demonstrate:

"The first right of man is to have everything essential to his happiness. Whatever stands in the way of this is not constitutional law, but fraud and robbery. The earth is man's and the fullness thereof. Whenever amid the fullness of earth a human stomach goes empty or a human brain remains darkened in ignorance, there is wrong and crime and fraud somewhere."

If, some Sunday evening, that fragment came out of your radio you might guess that it was the President's fireside talk. But you would be wrong. This quotation is 45 years old. Ignatius Donnelly said it in 1890.

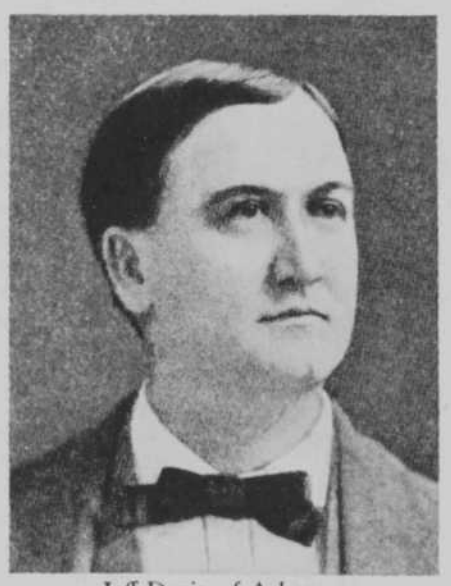
"The great interest of agriculture is almost voiceless in the nation. It is tongue-tied by parties and gagged by tricksters. Let it organize itself. If it can achieve success, all lesser interests can cling to it and be carried forward to prosperity. If it perishes, the nation sinks."

Taken from a magazine piece or a barnstorming address by Secretary Wallace? No, indeed. It was spellbinding *à la* April 2, 1880.



Mary Elizabeth Lease

IN 1892 when somebody suggested acreage reduction to end overproduction, she said: "Overproduction! When 10,000 little children starve today in the United States each year"



Jeff Davis, of Arkansas

HE NEVER lost a campaign. "In case you come down to the capital," he told them, "Don't go to a hotel. Just come out to my house and make it your home." They believed him

Are we always in ruin?

". . . WE meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot box, the legislatures, the Congress, and touches even the ermine of the bench. . . . The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished and the land concentrating in the hands of capitalists. . . . The fruits of the toil of millions are badly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind. . . . From the same prolific womb of governmental injustice we breed the two great classes, tramps and millionaires."

Modern New Deal oratory? No; indeed, it isn't. These words are part of the preamble and declaration of principle of the Omaha platform of the People's Party of America, 1892.

"Our country finds itself confronted with conditions for which there is no precedence in the history of the world. Our annual agricultural production amounts to billions of dollars in value which must within a few weeks or months be traded for billions of dol-

lars' worth of commodities consumed in their production. The existing currency supply is wholly inadequate to make the exchange. The results are falling prices, the formation of combines and rings, the impoverishment of producing classes."

The Rev. Charles E. Coughlin speaking? More or less, but 46 years late. Davis H. (Bloody Bridles) Waite, free-silver governor of Colorado, said it first in 1889.

Today's political stumps are equipped with microphones and supplemented by clubs of followers. Only the microphones are new. Political clubs, as supplements to given gospels of spellbinding, are older than wasp-wasted corsets. Mr. Sinclair's End-Poverty clubs, like Dr. Townsend's old-age retirement clubs, fall pitifully short of their gay 'Ninety ancestors.

Organized minorities

BEGINNING in the 'Seventies with the Patrons of Husbandry, political supplement clubs began to sprout and multiply. By 1890 the National Farmers' Alliance, with its Northern, Southern, and Colored departments, claimed membership of at least 3,000,000 voters. By 1890, membership in the Agricultural Wheel, which eight years earlier had originated at McBee's Schoolhouse, down in Prairie County, Ark., as a neighborhood debating society, had seeded and sprouted in nine states until its combined memberships were variously estimated at from 1,000,000 to 3,000,000. Local clubs traded secret grips, went in for rituals, box-suppers, all-day picnics, reunions and conventions.

Purposes of these clubs were described as first, social; second, economic; third, political. But free talk has a way of gravitating toward politics, of bettering government by sending the *right* man into office. Local clubs elected "lecturers" to take the lead in propounding discussions. The Northern branch of the Farmers' Alliance even made plans for a great national university.

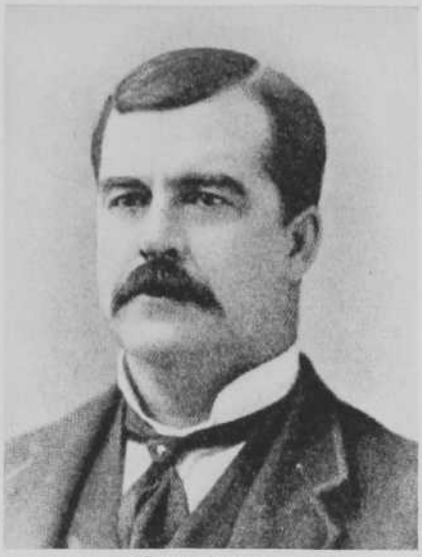
Gradually and with much dissension, these clubs of thinkers and believers merged into a third party, the Populists, or People's Party of America, rather broader of scope than the Grangers, Free Silverites, Greenbackers or other groups of political objectors. Though they failed to win a national election, the Populists won some state elections, and set innumerable stages for the persons, water-pitchers and panaceas of political crowd drawers.

The entire period from 1870 through 1891 was one of hard times. By 1890 prices of wheat, corn, and cotton varied from one-third to one-half of their 1870 levels. Farmers who had been exhorted to make two spears of grass grow where one had grown before were grappling with the question of how to get as much money for the two spears as they had formerly gotten for the one. Kansas corn, selling at ten cents a bushel, was being burned in lieu of coal. Midwest farmers were reported to have shot down their hogs when they could neither sell them nor give them away. The official publication of the Farmers' Alliance proclaimed to a nervous world that "Makers of clothes are underfed; makers of food underclad." It was Grade-A mob bait, too. The Alliance damned the money-lenders, the greedy tentacles of Wall Street, the railroads. It called for protection from foreclosure, forgiveness of debts.

Therefore, to the staple farm crops was added a crop of agricultural planning. Even in the early 'Nineties there arose from this feverish western earth some essential roots of the Hoover Farm Board and the New Deal's Agricultural Adjustment Administration.

Back in those days it was called the Sub-Treasury Plan for the Relief of Agriculture. The first proposer was no brain-truster. He was a hard-working editor named C. W. Macune. He published a magazine called *The National Economist*. His idea first hatched at the St. Louis convention of the Southern Farm Alliance in 1899.

Briefly, the Sub-Treasury Plan proposed that each state should have a quota of federally owned warehouses, elevators, or storages for wheat, corn, oats, rice, tobacco, cotton, wool, and sugar. Farmers were to bring these crops to their local warehouses where they would receive storage certificates redeemable in U. S. currency to the extent of 80 per cent of the market value of the crop. Crop raisers were to pay the Government interest at the rate of one per cent a year and, if they failed to redeem the goods within 12 months, the Government would have right of sale.



C. W. Macune

WHEN he proposed a farm relief scheme paralleling the present processing tax back in 1899, he was called a "potato banker" and a "hayseed socialist." Congress turned it down

"When, however, the storage certificates reached the hands of the miller or factory or other consumer he, to get the product, would have to return to the Sub-Treasury the sum advanced to the farmer, together with the interest on same and the storage and insurance charges on the products." This is the prevailing processing tax, with a somewhat more sugary coating.

William Jennings Bryan in the 1892 campaign suggested that the Sub-Treasury Plan would "merely push the system of supplementing the national stock of currency a little further to insure expansion and contraction as needed." Deviser Macune said, "It would effectively end all gambling in futures and wipe out the illegitimate methods of the various boards of trades that now curse the country. . . . It is safe and conservative. It harmonizes with and carries out the currency system in vogue on a really safer plane because the products of the country that must be consumed every year are the best security in the world, and with more justice to society at large."

There's the "social justice" line now aired so generously by our book-writing cabinet officials.

But the Sub-Treasury Plan was never steam-rollered into law. The old parties were skittish. Its proponents were branded as "potato bankers" and "hayseed socialists." The New York *Times* apparently typified the view of the city press when it branded the plan "one of the wildest and most fantastic projects ever proposed by sober man." Good farmers tittered. A self-styled poet wrote in to complain that he found the prices of poetry low with markets overcrowded. He wanted a manuscript department incorporated in the warehouses so that he might realize 80 per cent on his unsold poetry. A farmer with a particular knack for plowing up young rattlesnakes petitioned for a snake storage. According to House

(Continued on page 52)

"The Right to Petition"



CULVER SERVICE

"Female lobbyists—a scene in the marble room of the Capitol." This picture is from *Leslie's Illustrated Weekly* of 1899

IT WAS a wise observer of the ways of Washington who said that the one truly American contribution to the art of government was not the halls of Congress but their lobbies.

What "lobbying" and "lobbyists" are doing makes just now a daily grist of news headlined in papers the country over. Definition of the activities thus blazoned for the public eye is as various as the public and private interest represented, and the individuals who look to the practice of lobbying for their bread and butter. Lobbying is a child (legitimate or illegitimate according to whose political ax is ground) of the "right to petition the government." Ask for an offhand description of a "lobbyist," and, like as not, the personality in most people's minds would turn out to be a cross between an unctuous city slicker and an earthy evangel from the grass roots.

No need to labor the imagination. The fellow whose fingers were callous with buttonholing lawmakers was real enough in his own political generation. Whatever the degree of his sartorial splendor, the symbolism of the "vested interests" was not far to seek. His vest was studded with perfectos in an opulence to shame the lethal stuffing of a cossack's cartridge belt. His handshake was the eloquence of good fellowship itself. He knew human nature, and he knew what his masters wanted. Sometimes he pulled strings, sometimes he passed out "favors," sometimes he found men wore price tags—and he bought and paid for the "influence" offered for sale. He was expected to deliver the goods, and he did so according to his lights.

The technique is less elemental now, perhaps, than in the bad old days. In the modern art of lobbying good will toward men is the password. Organizations of all shades of opinion vie with one another in trying to do the world a good turn. Women's "pressure groups" have been quick to translate the rising accent on social security into legislative objectives—and they like their contact crusaders to be known as "legislative chairmen" rather than "lobbyists."

Persuasion is more open

FASHIONS in lobbying have changed with the years. No longer do movements and causes put their faith in the personal ambush of unsuspecting legislators. Part of this revision of the old direct contact strategy is traceable, of course, to facilities not available to the missioners of the horse-and-buggy era. Letters and telegrams are still first aids to persuasion. What the radio has meant to the special pleaders is indicated by the lavish use of the national radio networks.

Where publicity once was shunned by the lobbyist, it now is courted. The bigger his audience, the more the reporters, the wider the spread of his testimony. The office-to-office "reasoning" with the powers that be is on the way out. Lobbying is becoming a profession with practitioners able to inform the Congress on the attitude of important groups throughout the country.

The list of lobbies is as long as the roster of organizations. Even the Administration has its congressional contact men, its departmental publicity chiefs, and its "fireside chats" telling the people who are their friends, and their enemies—a pleasure for the broadcasting companies to contribute this time gratis.

Senator Black wants all congressional lobbyists registered with the Clerk of the House and the Secretary of the Senate. Departmental lobbyists he would have registered with the Federal Trade Commission. Also, his bill, if passed, would require the filing of specified information, including a statement of the interests represented, the compensation received, and accountings of expenditures.

It is progress of a sort that the spokesmen for the "wets" and the "drys," for the farmers, for labor, for the veterans, for business, for all interests are readily identifiable. They sail under their true colors. Nobody is at any loss to know who they are, for what they stand, for whom they speak. Certainly they constitute one of the most visible and vocal phenomena of government on the American plan.—R. C. W.



Your Son's Future?

WHATEVER work your son undertakes, he will be much more likely to succeed if he has special training and a real chance to get started.

Will he have to accept the first job that offers — no matter what kind of work it is? Or will he be able to start his career logically—even if it means working, at first, for smaller wages? The answer may decide your son's entire future.

Just as you prize his health and happiness today, you will be ambitious for his success later on. So why not assure him the chance he deserves? Through a Life Insurance Program you can provide both money for his training and necessary funds for that difficult period while he is becoming of real value in his work.

A Field-Man will gladly outline the Program best suited to your circumstances. Telephone your local Metropolitan office and ask him to call . . . or mail the coupon.



The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Pres. **One Madison Ave., New York, N.Y.**

Metropolitan Life Insurance Co. (N)
1 Madison Avenue, New York, N. Y.

I am interested in learning more about a Life Insurance Program which will provide for my son's future.

NAME _____

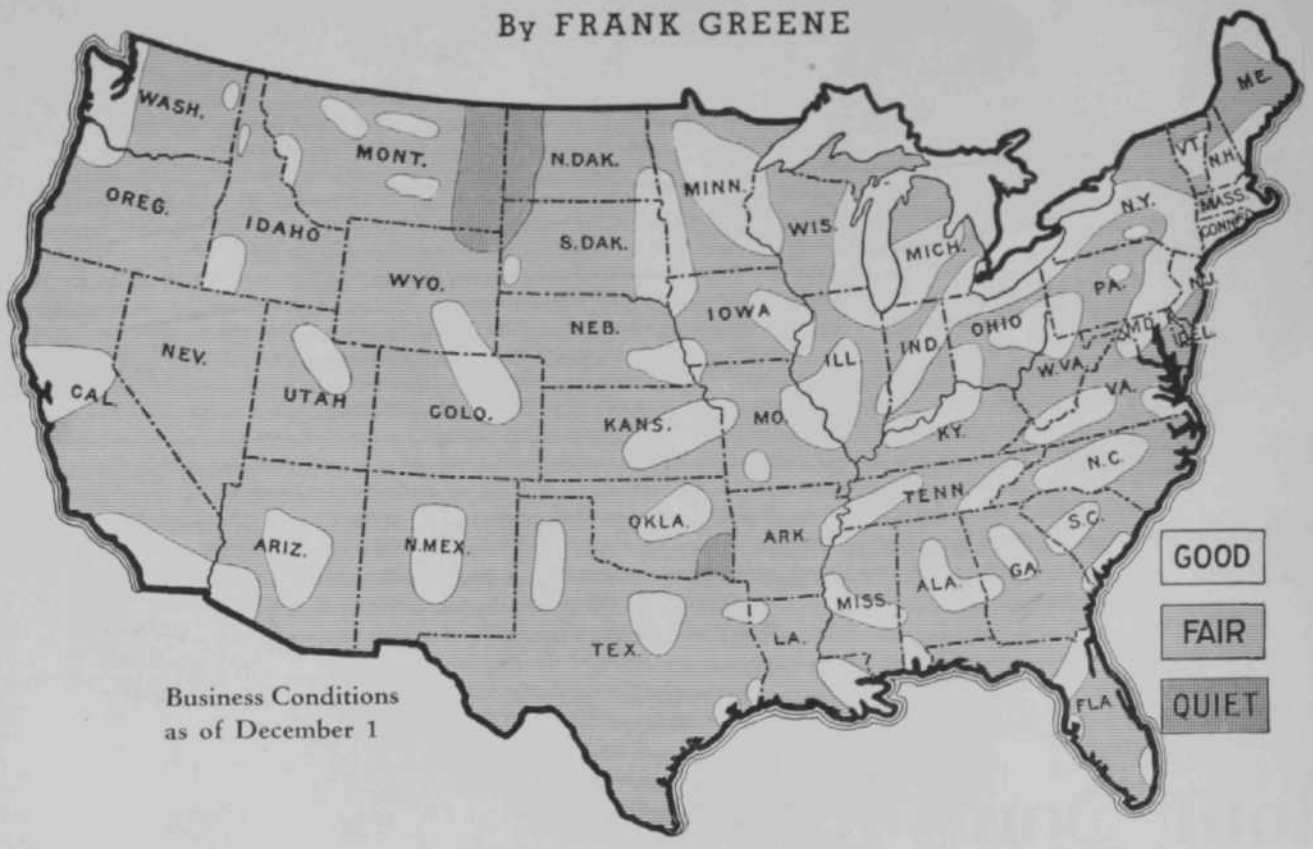
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The Map of the Nation's Business

By FRANK GREENE



Business Conditions as of December 1

NOVEMBER saw relatively old industries make new highs in filling needs of younger ones. Moving the automobile season forward sent steel, plate glass and electric power outputs to new records for recent years or for all time. Subordinate industries were likewise pushed.

Retail trade found the first half of November too warm for best results but gained in the latter half. Wholesale trade, after holiday preparations, eased up.

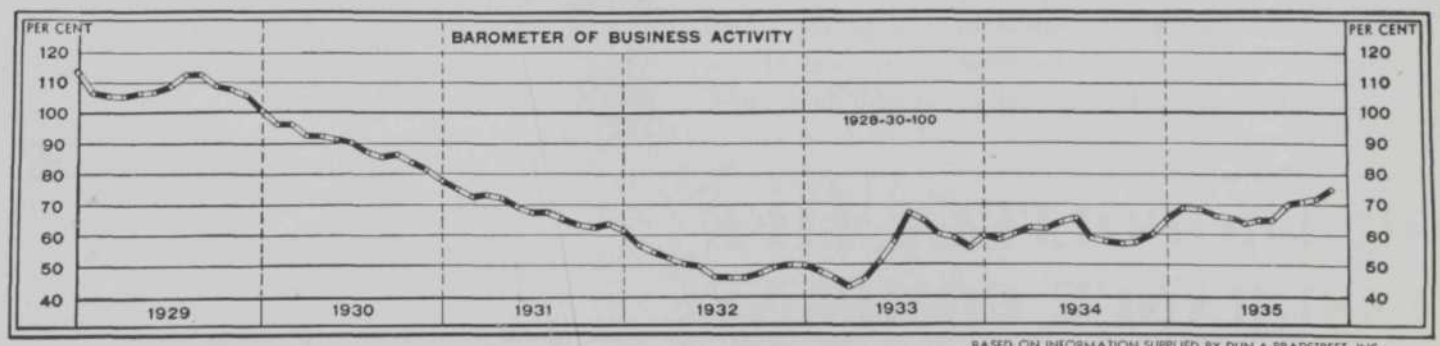
Western corn in shock and unpicked southwestern cotton suffered from excessive moisture but newly seeded winter wheat thrived. The stock market advanced for the eighth successive month. Dividend resumptions or increases were numerous.

Forecasts of volume of 1935 business were cheerful. Building records indicated a doubling of expenditures, cotton exports and consumption increased, woolen mills ran full time, shoe production promised a new record and bank clearings and debits exceeded 1934. Failures were the fewest and liabilities the lightest in 14 years.

The Map shows a fairly steady enlargement of the white areas



The map of last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

All factors in the Barometer of Business Activity rose in November and were far above November a year ago. In fact the index is now at the highest since December, 1930

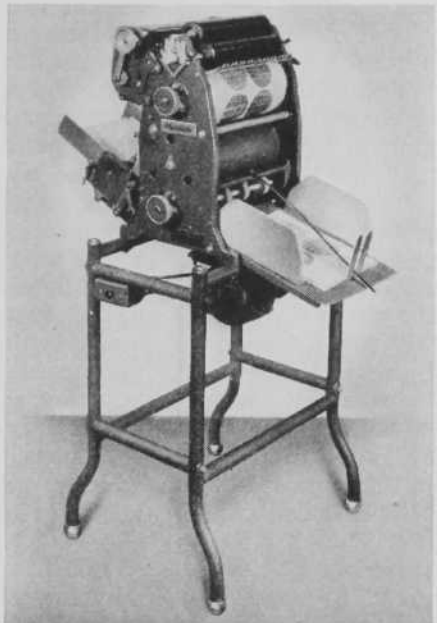


Multilith Wins Profit from Expense

Multilith opens almost limitless opportunities for the *reduction of expense* and the *increasing of profits* through easy production of lithographic printing, inside the offices of every kind of business and non-commercial organization.

The Multilith method is so simplified that office workers, without previous lithographic or printing experience, can learn it within a short time and produce all kinds of business forms, advertising pieces and sales helps of high quality . . . in multiple colors if desired. They can produce up to 85% of the printing requirements of the average office at savings which often range as high as 60%!

Multilith office lithography gives a rich, finer appearance to letterheads, folders, catalog pages, invoices, booklets, announcements, price lists, house organs, labels, inserts . . . in fact all varieties of printing. And too, it provides quick action! Many forms can be typewritten, drawn or hand-lettered direct on the flexible Multilith plate and large quantities printed, ready for use, within just a few hours.



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TRADE MARK
A MULTIGRAPH PRODUCT

The Multigraph representative who is constantly in your vicinity will gladly show you samples of Multilith work and discuss possible savings with you. Or, if you prefer, write us or consult principal city telephone books for address of nearest office. Business owners, executives and department heads should write on business stationery for Multilith Booklet 29.

Multigraph Company, Division of Addressograph-Multigraph Corporation, Cleveland, Ohio. Offices in all principal cities of the world. Office duplicating, printing, lithographing, typesetting and folding machines. Prices as low as $145.00, on convenient terms.

Two Views of Business

"Money Changers . . ."

By REXFORD TUGWELL

Under Secretary of Agriculture in an address under the auspices of the California Democratic State Central Committee

THE Administration is committed to democracy and to equal justice. Autocrats fear nothing so much as the democratic idea; and our financial and industrial autocrats are no exception. They have been used to doing as they pleased.

When simple and direct exploitation was met with resistance, they found it not too difficult to put on the mask of government, adopt as slogans paraphrases of our most precious principles and do essentially as they pleased in a slightly more roundabout way.

Whatever else can be said of the present Administration it can at least be claimed honestly that a long start has been made toward driving the money changers from the temple. . . .

What we are witnessing now is the death struggle of industrial autocracy and the birth of democratic discipline. It is the task of the progressives to lead the way toward this future and to prevent another turning backward toward the past. Another Harding, another Coolidge, another Hoover entrusted with leadership now would set us back as many decades as we were set back before—and at the end of it there might not be another leader with the genius to avert a revolution.

We have no reason to expect that the disestablishing of our plutocracy will be pleasant. These historical changes never are. We have, however, the duty of avoiding violence as the process goes on. And this is why I regard the coming months as critical. . . .

We have been pitiable, grubbing creatures up to now, laboring to make money, to multiply it at other's expenses and to hide it away like misers for our children.

But none of us ever thought it good or right to do so. Our generous impulses have had to be vigorously suppressed. Many of our favorite preachments have been devoted to holding us up to scratch in these respects, to keeping us stingy, competitive. . . .

Because we were little exploiters we have been tolerant of big ones; because we were jealous of little hoards, we could not object to big ones. We have been in no position to complain of results for which our own attitudes were responsible.

That is why I regard the coming campaign as so important. It may very well determine whether, some years from now, we shall do as other nations have—throw over completely the democratic and evolutionary process—or whether we shall find then that our leadership, our Administration and our discipline have been equal to the task of creating institutions suited to the world in which they are expected to operate.

Reaction at this time would commit us to a future uncertain in many ways, but certain enough in this—that there would be a vast rising of rebellious exploited people after we had revived for a while the game of getting rich at one another's expense. . . .

"Business Had Vision . . ."

By DANIEL ROPER

Secretary of Commerce in an address before the Convention of Associated Grocery Manufacturers of America

WITH the beginning of the depression in 1929 an inexorable shadow of eclipse began to move slowly across the American business and industrial system. Major emphasis was placed on what was bad and undesirable to the virtual exclusion of what was good and desirable. . . .

These and other circumstances created a complex situation which, strongly affected by a depression public opinion, functioned to make business the "scapegoat." . . .

But business leadership generally in those years displayed greater vision and ingenuity than did the leadership in many other fields, including those of Government and finance. Today, in the aftermath of this indictment of business to which I have alluded, there still prevail misconceptions and misinterpretations concerning business which must be eliminated if recovery is to receive its full and effective impetus. I refer, for example, to allegations that "badness" is an inseparable counterpart of "bigness" and that a constant curb must be maintained against business profits.

I am convinced that, if we are to be motivated primarily by the assumption that bigness must be penalized and restricted merely because of its size, broad and penetrating recovery will be impossible. . . .

The incentive to build and construct on a large scale basis has been one of the greatest assets in the development of our nation. Economically, we are three or four nations in one. In an economy of these characteristics, interstate commerce is mandatory to maximum effectiveness and progress. Interstate commerce begets bigness. The one process is not possible without the other mechanism.

But human experience reveals the tendency to exploit as size and power increase. Some abuses of this power have set society against bigness. The misdeeds of a few have brought an indictment against the many. Thus, today, as a basic objective, we are faced, not with the problem of eliminating or continuing big business enterprise, but with the question of how the normal growth and development of business and industry, in accordance with our extensive and diversified economy, can be directed most effectively for national, social and economic progress.

Business profits cannot be penalized or the profit-and-loss system will suffer with a bad case of *angina pectoris*. Businesses making profits during the depression have been held up to censure because it was pointed out that millions were unemployed, while some companies were actually paying dividends. This contrast is unfair. As long as we maintain our present capitalistic system, and it will be maintained, no obstructions or deterrents must be permanently set up to prevent fair and reasonable profits.



Automatically obtain

Employer, Employee Records

for the

SOCIAL SECURITY ACT

COMPLETE and accurate employee records are essential to meet the requirements placed upon employers by the Social Security Act. Whether the employer is required to maintain all employee data or to submit an employee report to the government at stated intervals, detailed information concerning the activities and earnings of every employee will have to be recorded at each payroll period.

The International Business Machines Corporation is keenly aware of the increased responsibility which this legislation will place upon business management. Our close study of the Social Security Act plus our wide experience and background in payroll methods and machines place this organization in a position of unique helpfulness

Through the medium of punched cards and International Electric Bookkeeping and Accounting Machines, business management can *automatically* obtain detailed employee data. The punched cards form an accurate source of information from which important records and reports can be tabulated at any time. Only pertinent data need be shown—non-essential or confidential information not required can be eliminated from state reports. The same source records provide the bases for future studies of employment experience. Your local IBM representative will be glad to tell you more about the advantages in accuracy and speed which International Business Machines and methods offer. Get in touch with him today.

Other important International Business Machines include International Time Recorders and Electric Time Systems, International Sound Distribution Systems, International Industrial Scales, International Electric Writing Machines, the International Tickettograph and International Proof Machine for Banks.

●

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BRANCH OFFICES IN PRINCIPAL CITIES OF THE WORLD

INTERNATIONAL BUSINESS MACHINES CORPORATION

No Business Can Escape Change

The new year will bring new conditions, new needs and, as surely, new products to meet them

A new alloy which has greatly improved magnetic properties is expected to expand the use of permanent magnets. It will permit small motors and various control devices, hitherto operated by electromagnets, to use permanent magnetic fields instead, it is said. . . .

A new barrel-lining material is offered—a soluble rubber composition which can be poured, brushed or sprayed on and which is said to be odorless, proof against inorganic acids, alkalies. . . .

Moisture-proof latex bags which are said to keep food fresh in mechanical refrigerators for ten days or more are now available. They close tightly, stretch to fit contents, can be sterilized. . . .

Juice is extracted from the whole orange (without the necessity of first cutting it in half) by a new lever-type juicer. . . .

More shower with less water is given by a chromium-plated shower head of new design. It has an elliptical guide which directs all water at the bather, large non-clogging outlet. . . .

A new waste line cleaner, for use in one-inch or larger lines, consists of a 50-foot flexible steel rod which is wound on a reel and fed through a sleeve and flexible nozzle. . . .

Wax, oil, tar, varnish is said to be removed by a recently developed solvent without injuring the color coat. It's also said to be useful for cleaning parts, radiators, brushes. . . .

Offered for use in bakeries, dairies, etc., a new quick-drying gloss enamel is said to be non-yellowing, unusually resistant to acids and fumes, to cover reasonably clean surfaces in one coat. . . .

Superior fire, light and heat resistance is claimed for a new asphalt shingle which is coated with a special hydraulic cement. Its increased rigidity allows more of its surface to be exposed, thus affording savings in materials and labor. . . .

A porcelain-enameled steel reflector of new design is offered for industrial lighting. It's said to eliminate glare, give uniform diffusion, more light without increase of wattages. . . .

Developed for use in glass, metal works, etc., a new automatic optical pyrometer indicates or records temperatures of materials in motion without retarding production operations. . . .

Savings in buffing compound, freedom from lint, smoke, fire in buffing operations are claimed with a new buff which is said to ventilate and cool itself at nearly double usual speeds. . . .

A new precision band sawing, band filing machine is offered for tool, die and other work. It permits both external and internal filing and sawing—for the latter the band saw's broken, one end is placed through a starting hole, then the ends are welded together by an automatic electric welding device. . . .

Replaceable blades distinguish a new line of hole saws for cutting $\frac{7}{8}$" to 4$\frac{1}{8}$" circular holes in wood, metal or molded plastic. The saws can be used in either a hand drill or drill press. . . .

Portable and inexpensive, a new small electric kiln has been developed for use in laboratories, studios, schools for firing glaze and enamel trials, small pottery pieces. Inside dimensions: 3$\frac{1}{2}$"x3$\frac{1}{2}$"x4"; temperature attainable: 1950-2000° F. . . .

A portable rock crusher and elevator is now available. It is mounted on a four-wheel drive motor truck chassis, is driven from the main transmission shaft by roller chain. . . .

Thin, flexible, parallel ribs compose the tread surface of a new tire. The ribs bend from side to side with weight of the car, are said to prevent skidding, reduce noise, give longer wear. . . .



COURTESY MERCHANDISE MART, CHICAGO

Waffles are saved from premature disfigurement by a new electric waffle iron. A heavy wire frame automatically lifts the waffle from the bottom plate when the lid is raised

Sponges made from pure cellulose are now offered for general cleaning purposes. They're said both to hold and absorb water, to be tough, pliable, soft, easily kept clean. . . .

Felt is now offered as an isolation material for reducing machine vibrations. Used in cushioning pads it's said not to deteriorate from age, grease, etc. Mountings which eliminate need for bolting down machines have been developed. . . .

Two hitherto little known hexahydric alcohols, mannite and sorbite, are now being produced synthetically on a commercial basis from field corn. Applications are seen in the textile, paper, leather, pharmaceutical, synthetic resin, and other industries. . . .

Wear on railway ties is lessened and vibration dampened by a new steel tie plate containing a rubber slab insert. The rail rests directly on the rubber, which in turn rests on the tie. . . .

Soft, buoyant, elastic, a new upholstery material (for use between springs and outer covering) is woven from latex-coated hair and fabricated into loops to form a structure of vertical figure 8's. It has already found use in a new tuftless innerspring mattress. . . .

A new electric steaming and pressing iron operates without a boiler, connects to any water line, generates steam in five minutes, has automatic heat and finger-tip steam control. . . .

A new advertising novelty takes the form of an automobile fender marker which carries advertising on its oval head. The head can also be had in embossed trade mark shapes. . . .

A new reel has a built-in meter which tells fishermen at a glance the length of their casts or, when trolling, the amount of line they have out. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



IMAGINE YOUR SURPRISE...TO ARRIVE IN ST. LOUIS

Suppose you stepped aboard a train tonight bound for Cleveland . . . and you awoke tomorrow morning in St. Louis instead. It would only take the throw of a wrong lever in some darkened switch tower to accomplish that—to send you off in the wrong direction.

Such is the importance of *control*. Only the correct *control* can make any power do what it should. That's why Motor Control is so important in Industry. It is the *vital* link between man and machine. Good Motor Control stops waste by making motors and the machines they drive do what man desires.

To be sure of *good* Motor Control more and more industrial plants specify Cutler-Hammer. Many outstanding builders of motor-driven machines feature it in their designs. A host of reliable independent wholesalers stock it for your convenience. CUTLER-HAMMER, Inc., *Pioneer Manufacturers of Electric Control Apparatus,* 1251 St. Paul Ave., Milwaukee, Wisconsin.

What is Motor Control?

Motor Control has no one form. Whether it is a little device like the cold control on your household refrigerator or an entire balcony of panels as in the steel mills, it starts, stops, regulates and protects motors to save time, trouble and expense. The name Cutler-Hammer is its greatest guarantee

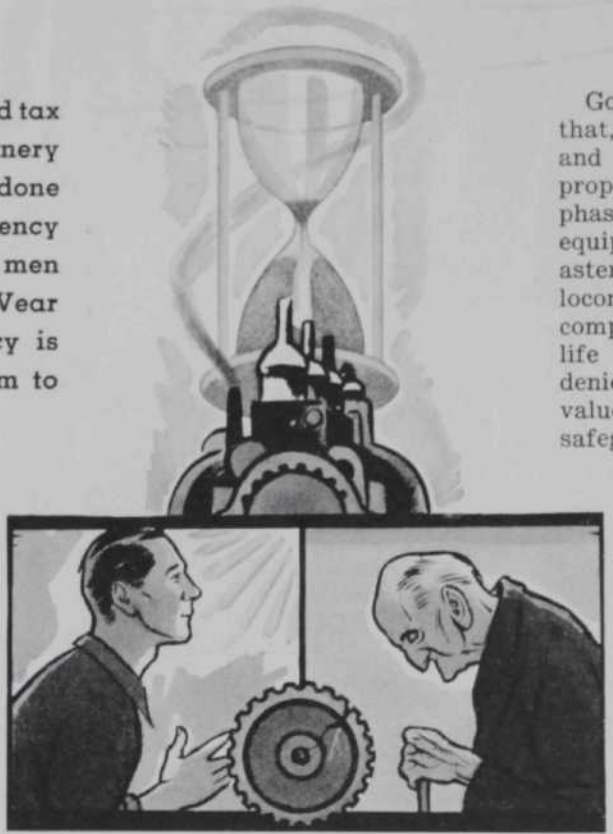


CUTLER-HAMMER C-H MOTOR CONTROL

When Men Grow Obsolete

By THOMAS WATTERS, JR.

ACCOUNTING practices and tax laws recognize that machinery wears out—but what is to be done about the decreasing efficiency of the bodies and brains of men who operate the machinery? Wear and tear on their efficiency is ignored. Some changes seem to be indicated



Men, like machines, wear out but they cannot be thrown on the junk pile

A MAN who bought a piece of machinery and didn't figure that it would wear out and must be replaced would be reckoned a fool by his business neighbors.

Every business that depends on machinery begins the day it is installed to write it off. That's good sense, good business and good accounting. By the time the lathe or truck is worn out, money has been set aside to buy its successor.

But how many men consider this rule in dealing with their own bodies? To be sure you can't set aside enough to replace your worn-out body, but you can set aside enough money to establish a money substitute for yourself.

The method is life insurance and it is difficult to understand why the business man who is so familiar with the rules regarding depreciation and obsolescence in his own affairs should not reckon with them in dealing with his own personal machine. Here are some clauses from Bulletin F of the United States Treasury Department dealing with depreciation and obsolescence:

> The amount of the annual deduction for depreciation ordinarily depends upon the expected useful life of the asset. The factors which determine the useful life of property in a trade or business have already been discussed. . . .
>
> These factors are wear and tear and decay or decline from natural causes; and also various forms of obsolescence attributable to the normal progress of the art, the necessity of replacements occasioned by new inventions, and inadequacy to the growing needs of the business.
>
> The production of net income usually involves the use of capital assets which wear out, become exhausted, or are consumed in such use. It is ordinarily called depreciation and the period over which it extends is the normal useful life of the asset.
>
> The economic life of a plant or unit thereof is the estimated time during which such property may be utilized effectively and economically for its intended purposes.

Useful working life

HOW could one draw a clearer picture of the analogy of the normal useful working period of the human life? Like the machinery, the man who directs it creates income only by giving a part of himself. Each year an accurate audit would charge off, because of wear and exhaustion, a part of the income-producing value of his normal useful life.

Good business judgment requires that, by proper accounting procedure and with insurance, the owner of property should safeguard every phase of his investment in physical equipment against old age or disaster. It is true that the value of a locomotive may more accurately be computed than can the value of the life of its owner. But it cannot be denied that the owner's life has a value which he has an interest in safeguarding, to protect the interests of those who depend for income upon his work, as he in turn derives income from the use of the machinery which helped to produce the locomotive.

To his wife and children, the end of the income-producing life of the business man, whether that end comes at death or with the exhaustion accompanying old age, brings the same problem as the wearing out or destruction of machinery or other physical property. That equipment which has provided an income will no longer do so. What will take its place? How will that income be replaced?

Let us consider what the prudent business man would do if he purchased a new machine and had it installed in his factory:

First of all, he would insure the value of that machine against loss by fire and other hazards.

Second, on his books, he would begin to depreciate the value of the machine on a basis of the probable number of years of its useful life, by setting up a reserve over the period of such useful life.

Third, if the machine was so important in the conduct of his business that its temporary inability to function would cause financial loss, he would take out a policy of interruption insurance based in amount on the annual return from this machine.

Fourth, if he had to issue bonds to buy this machine, he would begin



A "Comptometer" Division of Liggett Drug Co., Inc.

THE control of business . . . all kinds of business . . . manufacturing, merchandising, transportation, banking — is based on figures. For rapid, easy and economical compiling and analyzing of figures, the "Comptometer" is unsurpassed.

"Our experience over a long period of years," says A. S. Joseph, Auditor of Liggett Drug Co., Inc., "has convinced us that our work can be handled with speed, accuracy and economy on the 'Comptometer.'

"The flexibility of the 'Comptometer' appeals to us because we have such a wide variety of figure work to handle, ranging from simple additions to complicated long-division problems. All of this work is handled easily and quickly on the 'Comptometer.'

"We believe firmly in the use of modern up-to-date office equipment and in pleasant working conditions for our employees — proper desks, chairs, correct lighting and ventilating play an increasingly important part in the successful operation of our office."

This is another example of how the "Comptometer" is serving business and industry — large and small — to speed the production of figure work.

A new brochure, entitled "The 'Comptometer' Line," which illustrates in full color and describes the various models of the "Comptometer," will be sent, without obligation, to interested executives. You may phone the District Manager of the "Comptometer" office in your locality, or write direct to the Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Ill.

COMPTOMETER

Reg. U. S. Pat. Off.

The Men in Your Plant

have balance sheets, too



They, too, get into the red—and plan campaigns to dig their way out

• Miniature business enterprises, these homes your workmen go to each night. They have purchasing departments, planning boards, accounting departments. Records are kept, cash position surveyed, dividends declared.

They're partnerships. The wife acts jointly with the husband in operating the home. And to the degree to which it is a co-operative, *informed* enterprise—to that degree does it succeed.

Troubles are not unknown, of course—more, perhaps, in proportion to the dollar handled, than in *your* business. Sickness, unforeseen emergencies, accumulated bills—these are major problems.

Meeting the Cash Problem

What does your workman do when he faces an immediate need for cash? Come to you, or to his fellow workers? In the *informed* family, he does nothing of the sort. Even in emergency borrowing he is still "all business."

Household is the family's financial adviser. When cash is needed to meet an emergency, it is provided—and repaid in monthly installments rarely exceeding 10 per cent of the monthly income.

The accounting system is Household's "Money Management" plan—a practical system for control of disbursements, wise distribution of income. Purchasing is guided by Household's "Better Buymanship" plan—complete, informed bulletins on how to save money in buying food, clothing, furnishings.

We would like you to have first hand knowledge of how Household serves these family partnerships upon whom you depend for steady, interested workmen. Just mail the coupon. No obligation.

HOUSEHOLD FINANCE CORPORATION
AND SUBSIDIARIES
919 North Michigan Ave., Chicago, Ill.

HOUSEHOLD FINANCE CORPORATION
Room 3052-A, 919 No. Michigan Ave., Chicago, Ill.
Please mail me, absolutely FREE—*the new-type budget calculator:* "MONEY MANAGEMENT FOR HOUSEHOLDS", "TIPS FOR LAZY HUSBANDS", and sample copy of your "BETTER BUYMANSHIP" booklets.

Name.....

Street.....

City.....*State*.....

immediately to build up a sinking fund to meet this indebtedness.

The same man who does this for his machine too often fails to do it by insurance on his own life. Good sense tells him that the efficient functioning life of an aggregate mass of steel and iron is limited, but he is unwilling to recognize that his own machine has grown and is growing older and less efficient. He may know somewhere in the back of his head, but he hates to admit it, that every passing year reduces the strength and vigor of the human machine with which he started in business.

Perhaps it may be assumed that we own the mind and body that constitute our human working mechanism. We use them, not alone for our own individual needs, but to produce income for the benefit of wives and children as well as other members of society. From an accounting standpoint, then, there is no alternative but to build up in money a depreciation reserve to replace the income producing ability of the human machine which has been destroyed or become obsolete.

A writer in the *Review of Reviews*, dealing with this subject, said:

> Men and women, like machines, wear out. But unlike machines, they cannot be scrapped and tossed on the junk pile. All too often when they become so old that they are inefficient or dangerous to themselves or others in the shop, they are kept on the pay roll or thrust out dependent upon relatives, charity or the state.
>
> With machines, things are ordered better. A sinking fund is set up against depreciation so that when equipment becomes obsolete money is on hand to buy replacements.

From the standpoint of the professional man, the same theory was aptly expressed in an article by Dr. Roland G. Breuer, in *Medical Economics*. Dr. Breuer said:

> The physician has an investment of about $30,000 in his education. On this he must collect $1,700, each year, merely to pay the interest on the investment. After that you must pay your overhead and living. Then comes the profit—and the depreciation of your brain. You have about 20 active years between the time you really get started in practice and the time when you just begin to tread the mill and rest on your previous efforts. In this 20 years, you must do all that is to be done.

The vigor and energy of youthful ability and effort can never be replaced. As the years pass, the working value of every man, as of every machine in the factory, must decrease. Rates of decrease have been accurately charted for machinery but we have been less kind and less thoughtful about the minds and bodies without which machinery could neither operate nor be created.

The Government in collecting income taxes recognizes the likeness between the depreciation of a man's machinery and a man's body, but while one is deductible from revenue, the other is not. Here are paragraphs from the Internal Revenue Bulletin, already quoted:

> A deduction may be claimed for depreciation of automobiles and similar equipment in use in the trade or business. A professional man, a physician, for example, who uses an automobile in making professional calls, is entitled to an allowance for depreciation. . . .
>
> A professional man is entitled to deduct a reasonable allowance covering depreciation actually sustained on that part of his library which is necessary and used wholly in the pursuit of his profession. . . .
>
> A reasonable allowance for depreciation may also be claimed on live stock acquired for work, herding or dairy purposes. . . . Such depreciation should be based on the cost or other basis and the estimated life of the live stock.
>
> The potential earning capacity of an individual, his inventive genius or his literary ability, may not be made the subject of a depreciation allowance.

We may provide in our income taxes for the lessening value of our machines and our horses and cows, but not of ourselves. In fact, the Government has prepared a study of depreciation as it affects physical property and equipment in all lines of business, from office buildings and warehouses to corn shellers and linoleum. Practically every line of business is considered, and schedules give the precise number of years of probable useful life of the physical equipment required in all such businesses—from swimming pools at amusement parks to pipe organs in funeral homes.

Working period can be estimated

EXPERIENCE has demonstrated that there is a period in every business man's life when his capacity to earn is the greatest and then a decline in the curve which represents income-producing ability.

Particularly is the analogy close in the case of professional men, whose maximum earning period can be fairly well calculated in terms of years. Whether that term be calculated as 20 or as 35 years from the beginning of professional practice depends on the nature of the profession and the mental and physical vigor of the individual.

Art. 202, Regulations 74.—The necessity for a depreciation allowance arises from the fact that certain property used in the business gradually approaches a point where its usefulness is exhausted.

The average period of maximum usefulness is worked out precisely the same for printing presses or buildings. The term may vary as the

Good Advertising . . .

BUT IT DOESN'T REACH MY CUSTOMERS!



DEALER:

"Your magazine advertising doesn't help me—my best customers this year are farmers."

SALESMAN:

"Well . . . I think we are reaching farmers"—

DEALER:

"No! I am not interested . . . I've heard that story many times . . . the advertising that helps me most is in farm papers."

★ ★ ★

ADVERTISING schedules that do not include farm papers are now missing America's *best customers.* No other major group of people have had increases in income comparable to the rise in earnings on farms during 1934 and 1935.

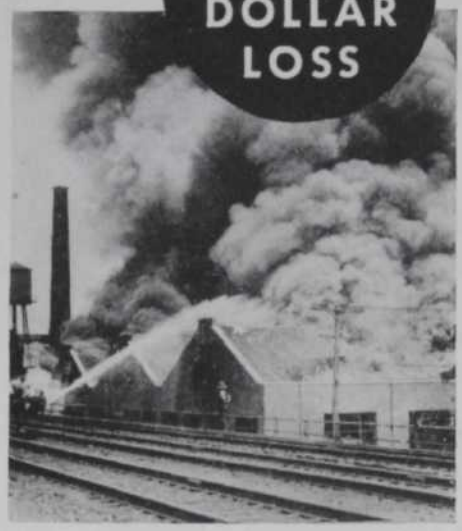
If you are not getting your share of this business, study your advertising schedule. How much of your advertising appears in farm papers—the only publications that influence the farm market?

Farm papers are close to the hearts and pocketbooks of farm families. No other advertising media are so closely read in farm homes—and none so powerful with dealers who are getting farm trade in their communities.

YOU CAN'T SELL THE FARM FAMILY WITHOUT *Farm Papers*

FARM JOURNAL
PROGRESSIVE FARMER & SOUTHERN RURALIST
SOUTHERN AGRICULTURIST
PRAIRIE FARMER
WALLACES' FARMER & IOWA HOMESTEAD
THE FARMER (St. Paul)
SUCCESSFUL FARMING
WISCONSIN AGRICULTURIST & FARMER
THE FARMER-STOCKMAN
FARM AND RANCH
THE OHIO FARMER
PENNSYLVANIA FARMER
CAPPER'S FARMER
MICHIGAN FARMER
INDIANA FARMER'S GUIDE
PACIFIC N. W. FARM TRIO (The Washington Farmer, The Idaho Farmer, The Oregon Farmer)
HOARD'S DAIRYMAN
KANSAS FARMER (Mail & Breeze)
MISSOURI RURALIST
CALIFORNIA CULTIVATOR
MONTANA FARMER
UTAH FARMER

AVOID YOUR PART
of this 400 MILLION DOLLAR LOSS

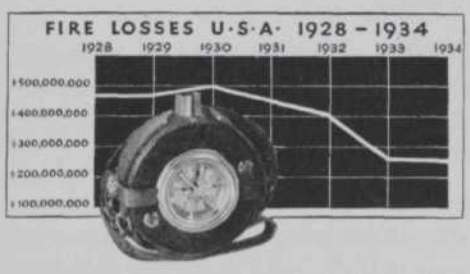


IN every average year upwards of $400,000,000 of urban property goes up in smoke. Most of it is business property. Avoid any part of this staggering loss from fire—and its after effects of lost business, and the general upsetting of a going concern.

THE FIRST STEP in fire protection is instant detection, and American business is most thoroughly agreed that the watchmen are the major factor in detecting chance fires.

THE 50,000 Detex watchmen's systems using 80,000 clocks are the best evidence that a Detex Watchclock system best serves to check the activity of watchmen.

ASK DETEX to supply information on a thoroughly modern system that will fit your present needs.



DETEX WATCHCLOCK CORPORATION
4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston
80 Varick St., N.Y. Room 800, 116 Marietta St., Atlanta
NB-1

DETEX
WATCHMEN'S CLOCKS
NEWMAN ★ ECO ★ ALERT ★ PATROL

press is used eight hours a day or 18 hours, and as buildings of the same height may be constructed of concrete and steel or of brick and wood. The United States Treasury Department says that the useful life of a concrete and steel factory building should be 50 years and that of a brick and wood factory building, 25 years. For every business man, the Government has prepared a chart showing the estimated life of his physical properties, and the answer is to charge off each year a percentage of that value and set up in its place a reserve, to be available at a time fixed and definite, to replace those values.

What is the answer when one has to deal with his body and his brain? The answer is in the annual premiums paid on policies of life insurance which constitute annual credits to the depreciation reserve on the normal useful working life values. A man fixes his own working value according to financial ability or desire, and fixes the time when he desires to take from the insurance company the cash to replace such working value. This may be at death or at the end of a specified term of years.

He can take an endowment policy maturing at age 65, for example. At whatever age he takes it, when he reaches 65, he can withdraw in cash the predetermined value of the policy. Up to that time he has, each year, debited his cash surplus with the amount of his annual premiums, precisely as he does in his business accounts when he sets up a depreciation reserve for machinery or equipment.

He may take a policy payable at death, rather than at a definite prior date. In the same way, he accumulates a reserve value each year which, when his personal working value is terminated by death, will pay to those dependent on his income an amount equal to the value he himself had previously determined.

The Supreme Court of the United States specifically recognized this rule of exhaustion of the earning value of the individual in the case of Von Baumback v. Sargent Land Company, 242 U. S. 503, 61 L. ed. 460, when it said:

> . . . it is of course true that the revenues derived from the working of mines results to some extent in the exhaustion of the capital. But the same thing is true of the earnings of the human brain and hand when unaided by capital, yet such earnings are commonly dealt with in legislation as income.

It is, of course, recognized that the methods commonly used for spreading depreciation charges, either uniformly or by some other scientific formula, over the life of an inanimate object, are not in all respects analogous to the use of insurance policies in providing for the various contingencies which come from the deterioration of human earning values and the ultimate ending of human life. Here, as in all other matters involving the human element, many and various complexities are encountered.

In the case of the inanimate machine, the replacement value is fairly constant and fairly susceptible of computation. In the case of a human life, the earning value varies from time to time and is difficult to compute precisely.

The theory of protecting earning values by life insurance presents various problems requiring individual inquiry. It might be assumed that sufficient life insurance should be carried to provide an income equal to that produced by the insured at the time of his death. In the normal course of events, an individual's income starts at a low point when he first enters business, increases to a maximum during the productive period of his life, and thereafter decreases slowly or rapidly.

If the amount of insurance carried is to be determined on such a basis, it becomes necessary to estimate the probable earning capacity of the individual, and, when this is done, to make plans to provide the requisite sum by periodic contributions from the available income. The analogy to the sinking fund method is readily apparent, although, in the case of life insurance, the fund to be liquidated by the sinking fund contributions varies during the lifetime and is an estimated quantity.

Many methods of figuring

OTHER methods of computing the insurance needs must also be recognized. It may be contended that the individual should have sufficient insurance to support his dependents after his death and that such an amount might bear no direct relation to his earning capacity at the time of his death. Granting the soundness of this theory, we have the problem of determining the probable amount necessary to support the individual's dependents. Here, too, we face a variable quantity, ordinarily starting at a small amount when the insured is young, increasing during the years when his family is growing up, and decreasing as his children have matured and become self-supporting. Once this variable amount is approximated, however, the problem is again analogous to the sinking fund theory.

In any of these situations, of course, practical difficulties may arise. The income of an individual may not be sufficient to permit him to carry out a proper theoretical pro-

(Continued on page 49)

What Constitutes The Price of Bread?

DURING the past three years we have been hearing much of the advantages of the 1926 price level. Bread prices are, we are now told, an exception. Donald E. Montgomery, consumers' counsel for the AAA, and Agriculture Secretary Wallace have publicly criticized the recent advances of bread prices.

The Bureau of Agricultural Economics in Secretary Wallace's own department furnished some interesting figures for background. The cost in cents of the ingredients for a typical loaf of bread in three widely separated periods were:

	Oct., 1926	Jan., 1933	Oct., 1935
flour	2.51	1.17	2.67
yeast	.26	.25	.25
sugar	.12	.09	.11
salt	.01	.01	.01
malt	.05	.04	.06
shortening	.27	.09	.29
milk	.35	.18	.25
Total	3.57	1.83	3.64
Retail price	9.4	6.4	8.3
Margin[1]	5.83	4.57[2]	4.66

[1] Note that the margin here is for both baker and retailer, and includes taxes, wages, and overhead. [2] The Bureau of Agricultural Economics shows that this was an abnormally low figure at least compared with the previous period due to bread price wars.

Considering the 1935 figures, the retailer is presumed to get about 1.30 cents for his share of the margin given above. That would leave the baker's margin at 3.36 cents a loaf from which he must pay, according to William A. Quinlan, counsel of the American Bakers' Association, 0.91 cent in taxes and gets .17 cent income.

The American Bakers Association broke down the wholesale bakers' average costs as of mid-August when the baker got 7.000 cents:

ingredients	3.080 cents
wages	1.855
fuel, light, and power	.175
maintenance and depreciation	.280
cooling, slicing, and wrapping	.420
advertising and selling	.315
vehicle operation	.385
office	.122
direct taxes	.193
baker's share	.175
	7.000

Added to these direct taxes were .714 cents in indirect taxes, making the total tax on a loaf of bread .907 cents "subject to any other taxes we may have overlooked."

The bakers seem able to make a good case for higher prices since their ingredients are more expensive than they were in 1926, yet their bread is 1.1 cents lower in price. This point was apparently overlooked in the public argument over the projected increase in bread prices, but Henry Stude, president of the American Bakers' Association, did say: "You can't have horse and buggy prices with new deal taxes."—W.L.H.

FIGURES COST LESS NOW

In 21 Cities General Mills, Inc. speeds figure production with Monroe "*Velvet Touch*"



SEE HOW MONROE DESK-SIZE AND PORTABILITY ENABLE THIS OPERATOR TO HAVE READY AT HAND BOTH A MONROE ADDING-CALCULATOR AND A LISTING MACHINE.

GENERAL MILLS, and its many subsidiary companies throughout the country, have standardized on Monroe equipment. In Minneapolis alone they use over thirty Monroes—both Adding-Calculators and Listing Machines. They have recently speeded up and simplified issuing dividend checks by installing a Monroe Check Signer.

General Mills' work is such that it requires unfailing accuracy and the utmost in speed. They have found nothing that fills the bill like Monroes.

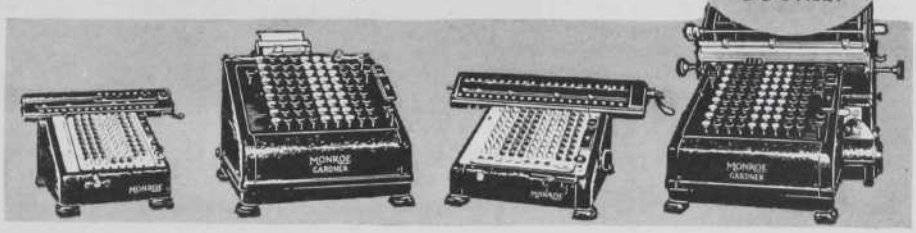
Wherever General Mills uses Monroes there is the service of a Monroe-owned branch to assure them continuous low-cost figure production.

A telephone call to the nearest Monroe branch will put a "Velvet Touch" Monroe to work on your own figures without obligation. Or write to the factory.

WRITE FOR A FREE COPY OF "VELVET TOUCH" A NEW 16 PAGE BOOKLET

MONROE

CALCULATING MACHINE COMPANY, INC.
ORANGE, NEW JERSEY



New Ideas in Selling

News and views concerning some of the happenings on the sales and selling front

Breaking a sales stalemate: A California company not long ago created a cleaning and lustre preserving finish for automobile bodies which, when properly applied, possessed considerable merit. Distribution was acquired through wholesale channels, but these failed to produce enough volume to yield fair profits.

Analyses revealed three major obstructing factors:

1. The product and process, while differing widely from the usual body polishes, were nevertheless in a highly competitive field.

2. In the hands of non-expert users, the product did not produce the maximum attainable results.

3. The product lacked a plan that would create a continuing demand.

To overcome these obstructions, the company worked out a merchandising plan, then sold the *plan*. It sought to obtain fair profits for dealers by limiting outlets, granting franchises only to qualified car dealers who would install specialized departments for applying the finish. Consumer satisfaction was insured by requiring that the dealers employ only experts trained by the company, paying them good wages based on a percentage of sales. Repeat orders were promoted by selling successive applications at a lower price than the initial one and urging such reapplications at not more than 60-day intervals.

From actual demonstrations in its training school for employees the company could show prospective dealers profits accruing from the plan and something of the market for the product. The dealer was not asked to buy. Rather he was informed he could have a franchise if he could qualify for one by adhering to and using the plan the company had worked out.

Results: Sixty-five Southern California car dealers, handling cars in every price range, obtained franchises within a short time; new dealers in other parts of the West are being added and sales volume is climbing.

What's in a name? Quite a lot in some cases. Witness the term "air conditioning." It has been the subject of free and easy handling since its rather recent advent and in its various forms has been used to describe fans, humidifiers, odor absorbers, underwear, hats and even gasoline. Now the National Better Business Bureau, Inc., the Air Conditioning Manufacturers Association and even the Federal Trade Commission are taking steps in the matter.

The first organization has worked out a definition which, in a nutshell, terms air conditioning the simultaneous, automatic control of temperature, humidity and motion of the air within a structure. Applauding this step toward a purer speech, the air conditioning manufacturers' group is enthusiastically publicizing the definition. The Federal Trade Commission, moving more ponderously, recently haled up a manufacturer who marketed a radiator evaporator as an "air conditioner," pointed out that "the respondent's apparatus performs only one of the functions of an air conditioner, namely, that of supplying humidity," and brought forth a stipulation under which the manufacturer agrees henceforth to eschew the term.

Taxless pork: Current meat prices and Agricultural Adjustment Administration processing taxes on pork are credited with encouraging a new form of competition in the meat industry, already bedevilled to some extent by "bootlegging" of untaxed pork. This new competition arises from the meat locker plant, which originated in the South and West and is now reported spreading to other sections. The idea started in cold storage plants which offered facilities to farmers for storing meat and produce. Now, however, it has expanded to a point where plants have been set up which slaughter and process animals for the owners and rent the latter refrigerated lockers in which to store the meat until needed. Since, in the case of pork, the owner—whether he's a farmer or a city dweller who has bought a live hog from the farmer—uses the meat himself he pays no processing tax. To quote an Iowa meat locker plant's advertising:

"This plant will make every day a butchering day for the farmer and will enable him to kill and store his own meat . . . under the most sanitary conditions. It will save at least 50 per cent of the farmer's meat bill, and will operate in the same way for town residents who buy meat animals from farmers and have them slaughtered and stored in the plant, properly butchered, for use."

Plan Room: The numerous federal projects under way in its territory have led the Cincinnati Chamber of Commerce to establish a service which has proved both useful to old members and the means of obtaining new ones. Plans for all such projects are obtained by the Chamber and placed on file in what has come to be known as its Plan Room. The room is apart from other facilities to insure privacy and quiet yet close enough to the Chamber's reference and library files that members lose little time in obtaining related information in the course of making estimates on jobs.

Importance of the service can be gauged from the fact that Cincinnati firms obtained federal contracts aggregating more than $1,500,000 in the course of the first nine months of 1935. More than 700 federal plans were handled in the Plan Room during the same period, bonds posted for the material totalling $3,000 at times. The Chamber is pretty proud of the project, claims the distinction of being the first service group other than contractors' and builders' associations to establish such a department.

Odd Lots: Vacuum cleaner salesmen are offered a new demonstration bag. It contains a celluloid window which treats prospects to a view of the flying dirt. . . . Newspaper advertising is being used by the great state of New York to advise taxpayers of the merits of milk as a fat reducer and complexion clearer-upper. . . . Half-size cans of dog food are now available for half-size dogs. . . . A Wisconsin gas company is putting its product on a competitive basis with fuel oil for home heating through a fluctuating rate which varies with the fuel oil market.

—Paul H. Hayward



COURTESY WHITE WAY LAUNDRY

Seeking to increase customers by decreasing their bills, a Nashville laundry erected this "drive-in" plant. Housewives bring in and call for the family wash in the family car, eliminating expense of trucks and drivers. The plant does a capacity business





. yet our main job is keeping our crop clean. We get a lot of help on that score from Monel Metal!

JAMES U. LESTER, President of Lester & Toner, Inc., Packers of SEAPURE Oysters







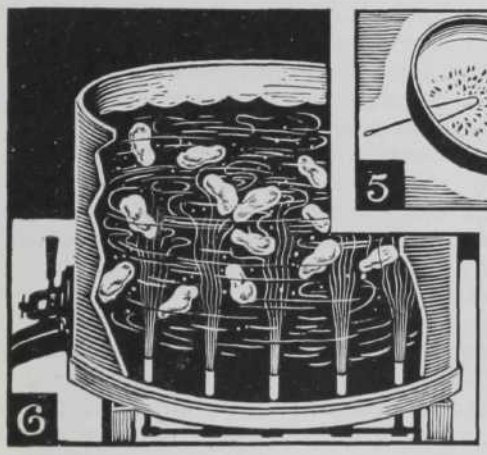
1. Here in the deep water of Gardiners and Peconic Bays are our "farms" where every year we plant, cultivate and harvest a large crop. But that is really the easiest part of our job.

2. This is a harvesting scene. After the oysters are brought in, our main work begins. The next pictures show a few of the things we must do to this "crop" before it is ready to pack and ship. You can see how careful we have to be to keep everything clean.

3. Oysters are rugged individualists. No two sizes and shapes are alike. So no machine has ever been successful at the job of opening oysters (called, by the trade, "shucking"). There's no substitute for a pair of human hands and an oyster knife.

4. No surgeon's instruments are more effectively sterilized than our oyster handling equipment. Every night it is subjected to 8 hours' exposure to live steam. That treatment is applied to every piece of portable equipment: strainers, buckets, sieves and dippers—all of which are Monel Metal.

5. About 1100 bacteria (of the strain that causes oyster spoilage) could lodge on the point of a needle. Of course, they are not permitted to get a foothold. We fight them by maintaining a regular hospital standard of cleanliness. That kind of cleanliness calls for much more than merely effective sterilization. For example, see next picture.









6. Here are oysters in a salt water washer, a large tank filled with fresh, clean brine. Jets of compressed air jiggle the oysters about and shake loose any particles of foreign matter. From the washer, the oysters go to a skimming table which scrapes off stray bits of shell.

7. The clean-up crew is never hindered in its work by any rust or corrosion which might furnish pits and crevices in which bacteria could hide. Of course there's never any rust on equipment made of Monel Metal. Even salt brine can't corrode it. Its smooth, non-absorbent surface is easy to clean and keep clean.

8. *Thank you, Mr. Lester, for these interesting views of your business. You have a tougher job fighting rust, corrosion and contamination than most food packers. Perhaps, among N. B. readers, there are men in other lines of business who might be using Monel Metal to their profit. Inco engineers are constantly studying ways to speed production, cut costs, and make products more saleable. Write for details*

• • •

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THE INTERNATIONAL NICKEL COMPANY, INC.
67 Wall Street New York, N. Y.

MONEL METAL



The famous Ring-Messhaus . . . one of the 36 Fair Palaces and Exhibition Halls which house more than 8,000 exhibits.

MERCHANDISE FAIRS — 6000 EXHIBITORS

ONCE AGAIN the dates of the Leipzig Spring Fairs are announced. Reservations already received indicate that there will be 6,000 exhibitors in the *General Merchandise Fair*, March 1st to 6th—and 2,000 exhibitors in the *Great Engineering and Building Fair*, March 1st to 9th. The exhibitors come from 25 nations.

These 700-year-old Fairs—long hailed as the barometer of international trade—are again in the ascendency. Despite world-wide depression, we report with pride that each of the last five semi-annual Fairs has shown a marked increase over the corresponding Fair of the preceding year.

LEIPZIG TRADE FAIRS

TECHNICAL FAIRS — 2000 EXHIBITORS

In the merchandise divisions, the exhibits include every conceivable line for the specialized store and the department store. In the technical divisions, there are practical exhibits of machinery, equipment, tools and manufacturing methods for every purpose. *The Leipzig Trade Fairs offer important profit opportunities to the shrewd buyer and business executive of every nation.*

Approximately 200,000 buyers—from 75 nations—are expected at the forthcoming Spring Fair. *No visitor from any country can attend a Leipzig Trade Fair without being reminded forcefully and repeatedly that—"Made in Germany" means quality and good design.*

We invite you to communicate with us for full details about the lines in which you are interested. Please write for Booklet No. 23. Our New York Office, or an Honorary Representative in your vicinity, will be glad to supply practical assistance in planning this "trip for profits." . . . Leipzig Trade Fair, Inc., 10 East 40th Street, New York City.

A number of outstanding German manufacturers—recognized leaders in their respective lines—are now seeking new representation for the United States. Interested parties are invited to communicate with us for full details.

Socialism and the Railways

By SAMUEL DUNN

Editor, Railway Age

IT IS not merely a coincidence that Senator Wheeler of Montana, chairman of the Senate Committee on Interstate Commerce, is author of both the Senate resolution for an investigation of railroad financing and of the bill for government ownership, and that the Railway Labor Executives' Association has begun at this time an active campaign for government ownership.

A third party convention in 1924 nominated the late Senator La Follette of Wisconsin for president and Senator Wheeler for vice president. The convention was dominated by the railway labor leaders. Its platform advocating government ownership of railways was written by a committee with Donald R. Richberg, then general counsel of the railway labor unions, as chairman. The "hook-up" is now, as it was then, plain enough.

An axe to grind

IT IS not apparent that many railway employees now want government ownership. They were not consulted before the leaders of their unions renewed advocacy of it. There is doubt that the railway labor leaders really want it. As experienced politicians, what they want is whatever system, policy or policies will increase their own influence and their credit for using it. They assume that any real or apparent financial abuses their long-time friend and co-laborer, Senator Wheeler, uncovers will create sentiment against private ownership and management for profit. They anticipate this will at least help them in their campaign for legislation greatly to increase railway labor costs regardless of the effect on railway security owners. If, as is the plain purpose of Senator Wheeler, it promotes the cause of government ownership and operation—well, the labor leaders hope that they would dominate government operation. Therefore, Senator Wheeler and the railway labor leaders can cordially work together in their own supposed interest, as they did in 1924.

So much for those who are consciously promoting government ownership of railways. Their game is obvious. How about the many business men and other persons, both New Dealers and Old Dealers, who oppose government ownership, but are more or less unconsciously promoting it because they do not realize there is real danger of it or why there is? The salvation of private ownership of railways—the salvation of the entire system of political democracy and free private enterprise in this country—requires that the facts regarding the present railway situation, the causes of it and the necessary means of arresting the drift toward government ownership, shall be presented fully and courageously, at whatever necessary cost of money and labor, to the entire people of the United States. The danger of government ownership is great because almost everybody is promoting it—a few consciously, many more unconsciously.

The railways are in danger of government ownership because they cannot balance their budget. Their actual record of the past 15 years refutes spokesmen of business interests who assert this is because their managements have been unprogressive and inefficient. But suppose the assertion were true? Would that be any reason why business interests should push them toward government ownership by advocating and defending government policies for transportation exactly similar to policies that they claim would destroy other industries?

Business paves way to socialism

OTHER industries oppose "regimentation" of themselves. The railways are completely regimented by regulation mainly because other industries favored and still favor it. Business interests oppose use of the taxpayers' money by the Government in competition with private investment. Is it not government competition with private investment for the Government to own, develop and maintain waterways and allow them to be used free by boat operators and shippers? The Mississippi Valley Association, an organization of business men, not only defends this but, in a recent statement, opposes regulation of water carriers while also opposing reduction of railway regulation. Meantime business men continue to promote large government expenditures upon such utterly wasteful projects as the upper Mississippi River, the Missouri River and the Beaver-Mahoning Canal in Ohio. Business interests continue to promote huge

expenditures on highways for commercial transportation and to oppose both adequate charges for their commercial uses and regulation of transportation on them in competition with the overregulated railways.

There is no difference whatever, in principle or effect, between the policies favored by many business interests that are helping push the railways straight toward government ownership and New Deal policies that the same business interests oppose as socialistic and wasteful of the taxpayers' money.

Not realizing the danger, the public regards quiescently and complacently, and may continue thus to regard, the propaganda against the railways being, and soon to be, disseminated by Senator Wheeler, railway labor leaders and other advocates of government ownership. More insidious and dangerous is the propaganda emanating from business interests supposed to be opposed to government ownership but bent upon discrediting private management of railways and promoting unfair competition with them for their own selfish purposes. Government ownership is not unavoidable. Probably it will be prevented—but not merely by talking against government ownership *per se*. It can be prevented only by changing the conditions and policies that are pushing the railways toward it.

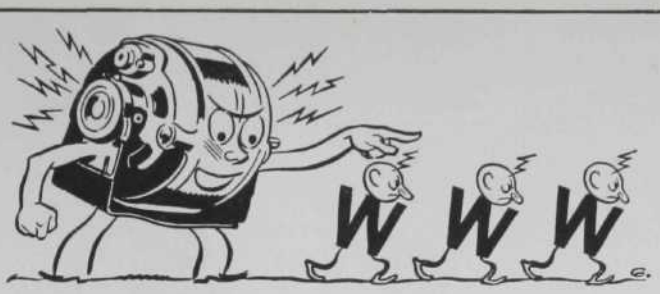
When Men Grow Obsolete

(Continued from page 44)

gram. This must, of course, in either case, result in a readjustment of the plan based on financial ability.

In other words, the spreading of depreciation charges for inanimate objects may not in every detail be analogous to life insurance, yet it is clearly so close as to provide a guide and a logical basis of computation.

There are many good reasons for life insurance. No reason, however, can more adequately demonstrate its value than the depreciation factor which is constantly at work on every income producing mechanism, whether of flesh and blood or of wood or steel. Whatever creates values in terms of income or service is exhausting its own ability to continue to create. Accounting methods provide a plan whereby that average term may be charted and a money value established to replace such values other than upon the income producing values of human lives. Life insurance provides, through an annual depreciation reserve, a money value, payable to the insured while living, or to others at his death.



"LAZY WATTS, YOU'RE FIRED!"

R&M motors haven't any patience with "lazy watts." They are so scientifically designed and painstakingly built that they minimize electrical and friction losses and make a little current go a long way.

Foremost makers of electrical appliances equip their products with R&M motors—to insure operating economy and to give better service in homes, stores, offices, and factories. *If you are a manufacturer,* R&M motors and engineering ability are ready to help.

And if you are a consumer, look for R&M on the motor. For a good motor is the *heart* of a good appliance.

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TO Manufacturers: How do you expect him to buy your products unless he can find who sells them?

To Dealers: How do you expect him to know that you sell the brands he wants, unless you tell him?

There's an easy way to take care of this — adequate representation in the classified telephone directory.

Many well-known advertisers and their dealers are proving the value of this means of identification. Kelvinator, Eureka, Goodyear, Willard, 'blue coal' are a few of the many trade-marks you will find in the *yellow pages* — and under these brands appear the local outlets.

Let us tell you more about this. Call your local Telephone Directory Representative or communicate with Trade Mark Service Division, Amer. Tel. & Tel. Co., 195 Broadway, New York, or 311 W. Washington St., Chicago.



A LISTING, LIKE THIS ONE, IN THE CLASSIFIED TELEPHONE DIRECTORY, WOULD HELP MAKE HIM A CUSTOMER

Wanted: Business Statesmanship

(Continued from page 24)

is already too clearly foreshadowed in the rising costs of governments.

These are now one-third the national income:

If all the income of individuals reported for federal tax purposes were to be appropriated to public uses, it would defray the cost of government—federal, state and local—for just 33 weeks.

If all such incomes of $5,000 and more, taking *every penny*, were confiscated, they would carry the Federal Government less than 28 weeks.

Let me give you just one final set of these appalling figures. To run government in the United States for one year would take three-fourths of all of the savings deposits in all the banks of the country.

Revenue is going too high

TO balance the present federal budget would necessitate an increase of about $3,280,000,000 in revenue above that now anticipated. Allowing for the possible loss of the processing taxes, and the approaching costs under the Social Security Act, the requirements become still more vast and unattainable.

These immense discrepancies cause business men the greatest concern, the deepest uneasiness, because all of the studies of the fiscal operations of the Federal Government which we have made in the National Chamber convince us that no fair system of taxation can be devised that will support government at its present level. To produce from taxes and all other sources federal revenues of from $7,000,000,000 to $8,000,000,000 annually seems hopelessly beyond the capacity of American business.

This course of fiscal policy is of tremendous concern from the viewpoint of business, but a challenge to another of the traditions of the Anglo-Saxon heritage is also of serious concern. I refer to the attack made by Mr. Tugwell, under secretary of agriculture, against the present American industrial system. In a recent speech, he is reported by the United Press to have said:

What we are witnessing now is the death struggle of industrial autocracy and the birth of democratic discipline. I regard the coming months as critical in our history. We have no reason to believe that the disestablishment of our plutocracy will be pleasant. These historical changes never are. We have, however, the duty of avoiding violence as the process goes on. Workers and farmers must unite against a common enemy and nurse an energizing wrath. We must draw together, nursing sources

of that anger which have driven us forward. A progressive political army marches with enthusiasm against an enemy we can despise with a lasting and righteous anger.

Frankly, it seems to me that all Mr. Tugwell omitted was—"On to Moscow."

Of course, it is always easy to criticize those in power. If American business demands that emergency measures be relaxed with all rapidity and that controls temporarily and perhaps necessarily assumed by the Federal Administration be restored as soon as possible to industry, then industry itself must be prepared to show that business leadership is willing and able to assume these controls.

The problems of business today are human as well as economic. In working to bring back recovery, industry must never forget the unemployed. Even at the risk of postponing necessary earnings, employment must be offered whenever possible.

And, when the business improvement, now ready and waiting for the restoration of confidence, finally develops—then management must not forget to share this returning prosperity among all those who have joined together to create it—the stockholders who have invested their savings, management, and not least to those who labor in industry.

I wholeheartedly repudiate that slogan of the demagogues—*"Share the Wealth."* To me that means the splitting up and destruction of the very producing plant itself.

Yet certain of the New Deal leaders take this very position. Let me quote Aubrey Williams, head of the Administration's youth movement, and Harry Hopkins' first assistant. In a recent address before the Birmingham Kiwanis Club he said, "The New Deal is a movement to redivide the wealth of the country."

But I do most earnestly believe in *sharing the earnings of industry.*

But the great nation that is America was built by men and women of fair-mindedness, of understanding, of vision, of courage. These qualities have not disappeared from our land.

The emergency is passing—let us once more proclaim that freedom, liberty within the law, and the right of individual enterprise are still the sound fundamentals for true and enduring democracy.

Yet, let us not forget that when people support the government and the government acts as the servant of the people, then, representative government is safe. But if government should ever reach the state when it supports the people, then the people will of necessity become subservient to government, and democracy will perish from this land!



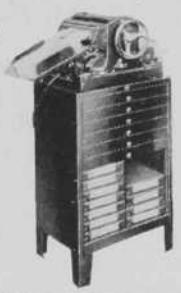
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Our new book, "Copies—Their Place in Business" tells the complete story. Write for a copy, or check your telephone book for the local Ditto office.

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REPUBLIC

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a New TOWER PNEUMATIC HOSE

● Here is a pneumatic hose designed especially to overcome the deteriorating effects of hot oil from air compressors. The tube is made from a compound similar to that used in oil-conducting hose and can be actually saturated with oil without affecting its serviceability.

In addition, the hose has exceptional resistance to heat, high pressures, abrasion, the cutting effect of sharp rock and exposure to sun and weather. Great strength and increased bursting pressures have been obtained by use of a specially twisted cord.

Tower Hose is recommended for mines, rock industries, construction and general industrial use where service is exceptionally severe. Your costs can be considerably reduced because of longer life and fewer replacements. Ask us or your Republic Distributor for complete details.

THE REPUBLIC RUBBER COMPANY
YOUNGSTOWN, OHIO

Leadership
IN POLICY, PRODUCT AND PERFORMANCE

Order Republic Rubber Products From Your Distributor

The Same Old Medicine Show

(Continued from page 31)

Report Number 2143, the Congressional Committee on Agriculture said of the proposal:

> No good could come from making every citizen feel that, from the time he plants his crop till it is harvested, that to the Government he is to look for a banker and broker. It will be an unfortunate day when in a simple republic, Government takes charge of all farm products. . . and becomes the main agent for the transaction of the business of the citizen.

But these starched-cuffs way-pavers for the current New Deal were far too rational to suggest any system of commandeering consumer's money to the end of bribing good farmers for not raising crops. In the presidential campaign of 1892 when old-line parties mildly intimated that farmers might find themselves better off if they would voluntarily reduce crop acreages, popular spellbinders only scoffed. To urge that economic wrongs might be righted merely by destruction of surpluses and profits impressed them as rankest idiocy.

Consider this retort of Mary Elizabeth Lease of Kansas, one of the greatest of all feminine crowd-pullers:

> We were told two years ago to go to work and raise a big crop. That was all we needed. We went to work and plowed and planted. The rains fell, the sun shone, nature smiled and we raised the big crop they told us. What came of it? Eight-cent corn; ten-cent oats; two-cent beef, and no price at all for butter and eggs—that's what came of it. Then the politicians said we suffered from overproduction! Overproduction—when 10,000 little children, so statistics tell us, starve to death in the United States each year, and over 100,000 shop girls in New York are forced to sell their virtue for the bread their niggardly wages deny them.

I do not know the source of these "statistics." To the best of my knowledge Mary Elizabeth never told.

In 1894 "General" Jacob S. Coxey led a peaceful "army" of unemployed to the national capital, an army made up of several thousand acutely unemployed, and privately recruited for the purpose of seeking government work. Coxey argued that these heads of families, men accustomed to work but temporarily jobless, might be valuably employed at building roads and bridges and other public properties. His arguments made headlines and converts.

His march on Washington ended in futile anticlimax when some of his lieutenants were arrested for failing to notice keep-off-the-grass signs. But it is proven history that the crowd-winning philosophy of public works and "reemployment" ceased being politically new about 44 years ago.

Most of the panaceas offered as new by the 1935 spellbinders are equally old. Take, for instance, the present spellbinders' dependence on statistics to impress or confuse the mob. Ignatius Donnelly, Minnesota Irishman, by turns Greenbacker, Liberal Republican, Populist, invented that.

Charming of presence and drawl, Ignatius was the darling of innumerable crowds. What was more remarkable, he refused to take himself or his words too seriously. And invariably on his coat lapel, Ignatius wore a sprig of lily of the valley, always fresh, in Ignatius' jovial Gaelic mind, the one fitting emblem of a politician. People wondered and asked how in Minnesota or creation Ignatius could find lily of the valley always fresh. Finally the secret got out. The flowers were artificial. But Ignatius wasn't.

Sparring with words

PLUMP, smiling and blessed with wit and gaiety, Ignatius could have held his own at verbal sparring with the present crop of spellbinders.

Witness the deft *coup* delivered by Ignatius when a hostile crowd pelted him with cabbages:

"Lend me your ears, gentlemen," Ignatius shouted. "I don't want your heads."

Comparable in mob-stirring genius was Pitchfork Bill Tillman of South Carolina, a farmer who looked the part and spoke from a platform of real earth, telling truthfully how he had plowed, planted, and failed to prosper.

Cole Blease, Sockless Jerry Simpson of Kansas, Betty Gay of Texas, Annie Diggs of Kansas, all these and dozens more; crowd-winners, way-clearers and testers for mass politics, sons and daughters of dust, open roads and plentiful advice, pleaders for a newer deck and a squarer deal, believers, perhaps, in a political Elysium.

The Elysium has not yet arrived. But the caravans of spellbinders come again to remix and relabel old medicines. Crowds gather and the show goes on. But it's all repetitions. Crowds listen, tire and break apart. There's no real reason why they shouldn't.

Bill was right. It's the same old medicine show—with this exception:

Panaceas are being tried today that previously were jeered out of court.

Business Highlights and Sidelights . . .

Uplift a liability

HOW to erect opportune defenses against destructive professions of friendship is a problem no less difficult by reason of its age. What is happening in the field of industrial relations is ready fodder for the philosopher and the moralist. "Improvement" of labor's lot is ever the slogan of the Uplifters. That there is many a slip between the declarations of the social evangelists and the realities of experience the situation within the New York building trades aptly suggests. As the journal of the employers' association sees it:

> The new unemployment tax on pay rolls will eventually amount to three percent. With it goes the federal retirement tax on pay rolls, which is also three percent, making a total of a new six percent tax on wages paid out. The state legislature, going haywire on compensation law amendments, has materially increased the compensation rate in many classifications. In 1933-1934 in the building of a $6,000,000 apartment in New York City, compensation amounted to ten percent of total pay roll. In the building trades, at least 16 trades require better than ten percent compensation, some are as high as 25 percent and one 40 percent. We hazard that a 15 percent increase in compensation is about the average that must now be paid by all industrial concerns.
>
> Let us take a single instance of a stone polisher averaging $25.00 a week or $1,200 a year. The tax and compensation on this wage which the employer must pay (assuming a low of ten percent compensation) is 16 percent or $192.00 annually. Paper work, legal expense, administration and carrying on the bookkeeping required could easily be $8.00. For five employees then the total tax on pay roll is $1,000 a year. This is an important saving and, moreover, is interest and amortization on a $6,000 machine, displacing the five workers. Counting wages saved, our employer could well afford a $12,000 machine. It is a fact that makers of machinery are now building up selling arguments along the above line of attack.

When public authority itself provides incentive for the replacement of workers by machines with consequent increase of unemployment, the familiar cry of technological "wolf" must strike the ear as more ventriloquial than valid.

Tolling up hard times

WHAT the depression has cost the nation in the changing of individual plans nobody knows. What it has cost business is getting light from several sources. From the Department of



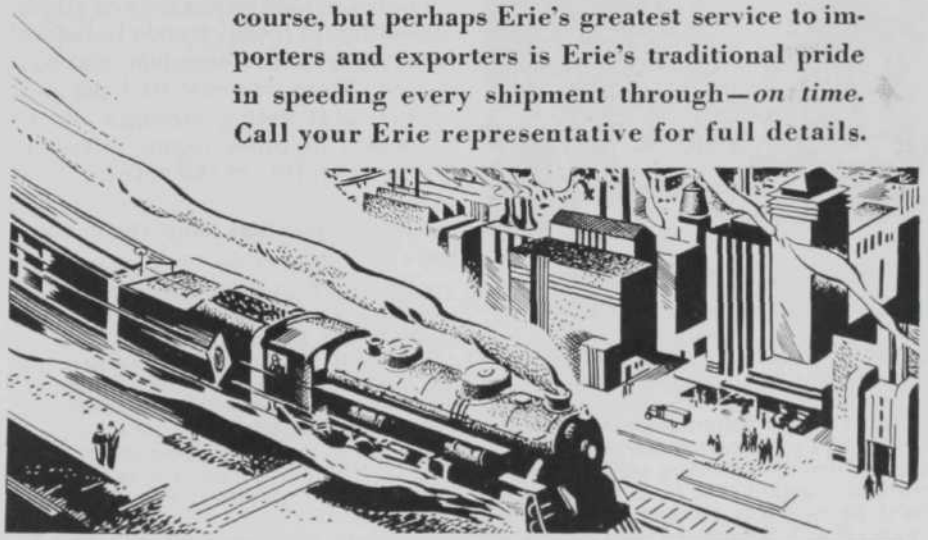
IT'S A SMALL WORLD WHEN YOU IMPORT OR EXPORT VIA ERIE

• Buying in Buenos Aires or selling in Shanghai can be as easy as doing business at home—if you let the Erie help.

For almost a century Erie has been handling the details of import and export for thousands of companies. There are no angles of the trade that Erie has not learned in that time.

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Experience and equipment are essential, of course, but perhaps Erie's greatest service to importers and exporters is Erie's traditional pride in speeding every shipment through—*on time.* Call your Erie representative for full details.



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Doling out money to parents who must be dependent upon you hurts their pride as much as your sense of the fitness of things.

There's a better way. An income for life, arranged under a John Hancock annuity plan, assures them of our check every month as long as they live. It puts the whole matter on a business basis and makes everyone concerned feel better.

Let us send you our booklet which tells the retirement income story.

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OF BOSTON, MASSACHUSETTS

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Please send me your booklet, "Money For All Your Tomorrows."
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City *State*
N.B. 1-36



BIG-TOWN STOREKEEPER
. . . Bargain basement to roof

Quite as much as sound merchandising sense, the ability to create a personality for his establishment contributes to the success of this Chicago department store general manager. Consideration for comfort and convenience of customers extends even to restroom appointments. From bargain basement to roof-top restaurant these are equipped with *Onliwon Tissue in Onliwon Cabinets. Tissue recognized as the finest, safest available. Onliwon Cabinets protect their contents from dirt, needless handling —and prevent littered floors. Besides, Onliwon dispensing service is economical.

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*A service for washrooms that dispenses toilet tissue from cabinets and assures that the user is the only one to touch the tissue.

A.P.W.

There's Real Saving in Onliwon Tissue and Towels

Commerce comes the reasoned estimate that although the national income produced in 1934—that is, the net product of the national economy —was $9,000,000,000,000 more than the low of 1932, it was still $32,000,000,000 below the peak of 1929. As for the drain of business savings through the years 1930-1934, the cumulative shrinkage is put at $26,631,000,000.

Qualifications of these figures derive from movements of the price level, though the Department points out that "since income produced represents the net value of services rendered as well as commodities produced and since the wholesale price index represents only commodities, it cannot be used to deflate the income estimates." What appears in the clear is the substantial reduction of national income in the years from 1929 to 1932, a fact to which all but a fortunate minority of individuals can eloquently support without benefit of official confirmation.

A tonic for youth and age

WHEN Harvey Blodgett, St. Paul business man, father of five sons, took stock of the world of 1922 and wrote "Man Alive" he hoped it would give "a bit of encouragement to baffled souls who were finding the going hard . . . particularly aspiring youth and young men. . . ." Time and change. A revised and enlarged version is fresh substantiation of his belief that "never was there greater need for high minded, intelligent youth to go into action." If alarming the need, the faith which lights the pages of this little book reveals a resource of spirit adequate to its ordeal. Sum of his word to the rising generation:

"Let destiny come tearing at you if it will. You have the stuff to make it stand and deliver."

Texts a-plenty, precept and example for the arduous heroism of the commonplace.

Correction

TEXAS readers—and others—call our attention to an error in Mr. Kerkow's article "World's Fair Advertising Can Pay" in the December number. The Texas Centennial in 1936 is planned for Houston, not Dallas, as stated.

Business Speaks on Federal Trends

MEMBERS of the United States Chamber of Commerce showed strong opposition to recent trends in federal legislation in a referendum just concluded. There was cast 64.4 per cent of the total voting strength of the Chamber. At other recent referenda about two-thirds of the vote has been cast.

The proposition and their votes were:

1. Should there be extension of federal jurisdiction into matters of state and local concern? For 45; against 1,796.

2. Should the federal Government at the present time exercise federal spending power without relation to revenue? For 22; against 1,845.

3. Should there be government competition with private enterprise for regulatory or other purposes? For 36; against 1,825.

4. Should all grants of authority by Congress to the executive department of the federal Government be within clearly defined limits? For 1,813; against 58.

In early 1935 the Board of Directors of the Chamber of Commerce of the United States decided that it was most timely to have a study made of legislation which had been enacted in the time of the earlier Congress and in the present Congress, in order that the trends in federal legislation might be determined as accurately as possible.

The purpose was to consider all the legislation, rather than concentrate attention upon particular measures, respecting many of which the Chamber had been given specific positions through action by its member organizations, by vote of delegates at annual meeting or by direct vote of organizations in referendum.

The Board appointed the Special Committee on Trends in Federal Legislation, which drafted this report. It consisted of John W. O'Leary, chairman, manufacturer of Chicago, Ill.; Harry Scherr, lawyer of Huntington, W. Va.; and T. Guy Woolford, chairman of the board, Retail Credit Company, Atlanta, Ga.

The committee's report digested the public laws of the Seventy-Third and present Congress and the blank appropriations made during the same time.

Other features such as the delegation of power to the executive are also emphasized.

The negative argument that went to members with the referendum cites the economic reasons for the laws passed.—W. L. H.

A 50 Year Fight for Markets

(Continued from page 22)

num has a monopoly of the job of cooking your food. It never has had and it's a fair guess that it never will have. For one thing, price is a factor.

You may have heard your wife say:

"What Mary does to my aluminum kitchen things is a crime. I'm not going to buy any more. I'd rather buy pans at the ten cent store and throw them away if they chip." That's the price factor.

Stainless steel is coming into the kitchen market. Moreover, quick heat conductivity—a virtue in some kinds of cooking—is not a virtue in others. Heavy iron may be better for long, slow cooking; earthenware has its virtues and don't forget the new unbreakable glass dishes that go into the oven and onto the table.

Making their own market

FURNITURE provides an instance of the company's basic desire to sell its metal rather than make a new product. The promotion staff of the Aluminum Company decided some ten years ago that there was a place for the metal in furniture. Steel was being used, why not aluminum? Chairs seemed to offer an especially good field. They would be light and welded with no joints to work loose.

The Aluminum Company went to the steel furniture makers and tried to interest them. The answer was, "No! Why should we upset our present methods and experiment with an untried material?"

Again the aluminum folks went into a new business. They set up a plant at Buffalo, made chairs, first for offices, later for dining cars and institutions and finally for homes. Soon they were selling a million dollars' worth of furniture a year and the steel furniture folks began to get interested. Some of them were then willing to sell aluminum chairs and a year or so ago the Aluminum Company disposed of the business to General Fireproofing Company and went back to selling the metal as metal and not as a finished product that has to include leather and hair and paint.

Those pioneers in aluminum were an adventurous lot. They tried horse bits and horses chewed through them; they tried hair pins until women took to short hair; they tried safety pins but the metal lacked temper; they tried ordinary pins, but a stiff enough pin made too big a hole.

But bigger things were in sight. Take a quick view of that period when Hall produced commercial aluminum. The automobile was below the horizon but a gas engine had been invented; the airplane was farther away; the first electric street railway had just been built; electric lights were coming into general use; the bicycle was about to blossom and fade, bringing with it the first air filled rubber tires.

These and a dozen other things opened new possibilities for metal. Transportation was entering a new world. What could aluminum sell them? Lightness. What other metal is as strong for its weight? That was its great selling point in transportation. Wherever there is "mass in motion" there is a possible market for aluminum, was the industry's slogan.

At the time aluminum was born and for some years after, wood was the outstanding material for railroad rolling stock; passenger cars and freight cars alike were of wood. In 1907 at the Jamestown Exposition, an all steel Pullman was shown and about then began a shift to steel. With that shift came a demand for larger cars and larger cars meant more weight. More weight meant more expenditure on maintenance of way. Why not aluminum? For one thing, cost. Aluminum is several times as expensive as ordinary steel. Moreover, there were doubts and disputes about the strength and rigidity of aluminum as compared with steel; but aluminum has light weight and it was soon found that by increasing the section thickness greater rigidity could be obtained still with a saving in weight.

Slowly gaining recognition

EXPERIMENTS led the Illinois Central to build 25 suburban cars in which weight reducing uses for aluminum were found. That was in 1923, but it was not until 1933 that the first all-aluminum passenger coach and a Pullman sleeping car were put on the rails.

Nineteen thirty-three was a momentous year for the railroad industry.

In that year the Union Pacific took the first steps toward streamlined trains and, on February 12, 1934, put the first one in operation. It was essentially an aluminum train. The Chicago, Burlington and Quincy accepted the challenge and produced a streamlined train—but this was built of stainless steel.

That set the stage for a battle for markets. If—and that's still an if—the streamlined train was to play a great part in the future of the rail-

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MULTISTAMP can help you make money as well as save it. Ideal for preparing sales letters, postcards, folders and other advertising material. Enables you to contact customers and prospects as often as you wish, without worry about expense.

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MULTISTAMP prints clear, perfect copies of anything typed, written or drawn. No type to set. No experience needed. Anyone in your office can operate it at top speed. Prints on any grade of paper, cardboard, cloth—even boxes! Does the same quality work as other duplicators costing many times as much and does many things they can't do. Price of complete outfits $35 and less. Guaranteed for five years. Mail the coupon today for full information, without obligation.



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The Wellington Arms, popular Chicago residential hotel, 2970 Sheridan Road.

"IRON FIREMAN saved us $81,000 in 9 years"

says WALTER WILLE
Managing Director
THE WELLINGTON ARMS
Chicago



IN 1926, Walter Wille faced the fact that fuel costs were excessive at the Wellington Arms Hotel. He decided to install Iron Fireman automatic coal firing, thereby replacing another type of automatic heating.

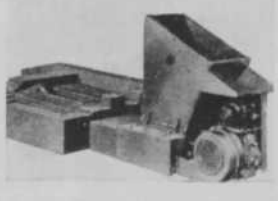
For nine years now the wisdom of Mr. Wille's decision has been proved in the language that every business man understands. He says: "Our average annual net fuel saving with Iron Fireman has been $9000 or $81,000 during the past 9 years. This has paid for the equipment many times. We are pleased with Iron Fireman performance."

Free fuel cost survey

If you pay fuel bills, Mr. Wille's experience will be not only news but a suggestion that you too can profit by replacing your current firing method with an Iron Fireman automatic coal burner. It makes no difference whether you are interested in a small home or a large building—Iron Fireman will give you the finest and most economical automatic heating that money can buy. The burner can be installed in your present furnace or boiler, and purchase can be made on an easy monthly payment plan or an F.H.A. loan. Write to 3234 West 106th St., Cleveland, Ohio for literature and free fuel cost survey showing what Iron Fireman firing can do for you. Iron Fireman Mfg. Company, Portland, Oregon; Cleveland; Toronto. Dealers everywhere.

•

Iron Fireman automatic coal burners are made for commercial boilers up to 300 b.h.p. and for homes. Shown at the right is the "Poweram" model for heavy duty industrial power and for large heating loads.



IRON FIREMAN
AUTOMATIC COAL BURNER

roads, supplying the material would be well worth while. The steel industry promptly went to work on new alloys and the railroads are experimenting not only with stainless but with CorTen and ManTen steels. Four streamlined trains have been built in aluminum and two are being built; four have been built in stainless, three in CorTen and one is being built, ManTen being used chiefly in freight cars.

That does not mean that the streamlined train, if it succeeds, will be built of steel or of aluminum. It may be built of a combination of aluminum and steel alloys. It is conceivable, perhaps, that something entirely new might enter the lists. It does mean that there is no such thing as a heaven-sent market for any material or any product—a market which can't be lost. There is always, somewhere in the offing, a competitor eager to step in and seize the business.

But if "mass in motion" is aluminum's market, what of the automobile which came into the world not long after aluminum? There, so far as the passenger car is concerned, is a different story. Aluminum did get into the field and got in early, but it didn't stay in—at least not all the way in. Bodies were made of aluminum; so were crank cases, oil pans, transmission covers and gear cases. Now the vital parts of the motor, pistons and cylinder heads, are the chief markets for aluminum in passenger cars while bodies have gone to cheaper materials.

Why did this major tonnage item slip through the fingers of the aluminum industry? Two reasons: first, that factor in markets that can never be forgotten, price; second, steel developed improved fabricating methods.

Steel fit mass production

THE automotive industry early turned to mass production, and lower prices. Lower material costs helped to lower prices and steel was cheaper. The individual driver didn't want to pay $25 to $40 more for his car just to get a small saving in weight. He wouldn't get enough more mileage out of his tires, his oil and gasoline, to compensate him. At the same time steel learned during the war to make steel sheets that would stand deep drawing, and developed heavy tools and dies for body production.

But will aluminum quit and surrender the automobile body field? Certainly not. The economic balance that selects one material and rejects another is a delicate one. It doesn't take much to swing it one way or the other. If oil and gas and rubber prices soared, a point would come where aluminum would find wider uses because the automobile owner would weigh first cost against operating cost and decide that a more expensive body was really cheaper.

When you leave the passenger auto and turn to the bus and truck field, the picture is different. Operating cost is more important. Gasoline and oil must be figured carefully and tires must be conserved or profits vanish. Aluminum, instead of withdrawing from the field, gets farther in. Lighten the truck body and the operator may haul in four trips as much payload as he could in five with a heavier truck. Truck owners have learned that the dead load costs real money to haul and payload can be increased through the use of aluminum. The economics of this is readily apparent when it is realized that aluminum got into this field in a big way during the depression.

Where lightness counts most

COMMERCIAL aluminum was 18 years old when Wilbur Wright made his Kittyhawk flight on December 17, 1903. It had already begun its struggle with the automotive problem. It was getting ready to invade the railroad field. Air looked like an obvious field. The plane was to be "heavier than air" but the lighter it was the better. There, in a new industry, a new metal had an even start. When the use of electricity goes up, we think of a rise in the sales of copper; when automobile production increases, the business pages of your newspapers predict a brighter future for steel. Perhaps ten years from now, if the airplane has found a more certain and larger place in transportation and industry, we may read items like this:

"Aluminum prices stiffen on report that Europe-America Airways will build 50 new hundred-passenger ships."

But no market is sacred. If it were, aluminum would never be fighting copper for a part of the electrical market. And in that market is an interesting case of a third industry profiting by the battle. As far back as the days of the Pittsburgh Reduction Co., in the middle 1890's, that company tried to interest the makers of copper electrical conductors in aluminum. They couldn't see it and the Reduction Company began to make aluminum wire. The newer metal wasn't as good a conductor as copper but it was found that, by increasing the size of the aluminum conductor, an equal conductivity could be obtained and still the aluminum wire would weigh only about

THE SATURDAY EVENING POST

Has maintained and strengthened its leadership in the national field throughout the depression, because it has the courage of its convictions.

IT HAS been ahead of the whole periodical field in pointing out the dangers inherent in the New Deal. In its editorials and articles it has been far ahead instead of behind events; leading the field, instead of trailing it.

It has not trimmed or wobbled from side to side on the vital questions before the American public, in a spineless effort to please everybody.

It gives its readers the best in entertainment — short stories, serials and light articles, but it does not believe that any publication that tries to reflect American life can go fiddling through a national crisis. So week by week, in editorials and special articles, it comments on the vital problems that are of first and most absorbing interest to the American people.

It has consistently opposed the idea that a sound prosperity could be based on taxation, confiscation and regimentation, but it has supported measures for necessary relief, efficiently and economically administered.

THE SATURDAY EVENING POST

holds no brief for any man or any party. It does hold a brief for the American people, the American System, and for every man and woman who stands squarely for Americanism and against Fascism, Socialism, Communism or any other alien ism.

It has steadily opposed the confiscation of wages, salaries, incomes and profits, either by direct or indirect taxation, to bolster up plans, policies and panaceas that, no matter how well-intentioned, have retarded sound recovery.

It has stood for the sanctity of contract and the same good faith on the part of the government that government demands of the private citizen. It has been unsparing in its condemnation of bad faith, extravagance and excesses in both public affairs and private business.

Some periodicals talk quantity to the advertiser; others quality. THE SATURDAY EVENING POST has both. It has a loyal, a discriminating and an influential constituency, which includes intelligent men and women of every age and in every walk of life, from youth that is going somewhere, to men and women who have already got there and are still going ahead, after being tried and proved in the fire of experience. Its policies automatically select that kind of reader.

The POST type of reader has great purchasing power. The type of reader to which the trimming, the sidestepping and the panacea publications cater is not the constructive element in the nation.

Which type is more likely to bring back recovery and to buy advertised goods? Which type has partly brought back recovery, in spite of the panacea vendors, and is buying goods today? Which type is trying to bring back *sound* recovery?

The advertiser's problem is to reach the builders in business, in agriculture, in industry and in the professions, from those starting up from the bottom to those at the top.

The answer to that problem is

THE SATURDAY EVENING POST

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FOR THE LAST ISSUE OF THE SATURDAY EVENING POST UPON WHICH FINAL FIGURES ARE AVAILABLE, THE NET PAID CIRCULATION IS OVER 2,900,000 COPIES



NO MIRROR NEEDED

With the Schick Shaver you do not need a mirror. You can shave in the dark. With its gentle touch to guide you, it glides over your face, shearing off every hair *below* the skin level. You cannot cut yourself, for it has NO BLADES. It puts your skin in perfect condition and keeps it there, for you use NO LATHER —no facial preparation whatever. The Schick gives you a close, clean shave. ASK ANY DEALER to show it to you. If none is near you send $15 to Dept. N.

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200,000 REPRINTS—

of NATION'S BUSINESS articles have been ordered during the past year by business men for re-distribution to employees, friends and associates.

Recent articles in demand and in stock include:

Where Your Job Comes From
What Workers Want to Know
New Labels on Old Bottles
A Country Banker's Story
Painters' Frolic
What the Constitution Means to the Citizen
Render Unto Caesar . . .

Price, two cents each

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Write to:

NATION'S BUSINESS
WASHINGTON·DC

half as much as copper. That, said the manufacturers of aluminum, would be fine! Longer spans, fewer supporting poles, and the higher cost of aluminum as against copper would be overcome. What they didn't reckon with was the greater strength of copper. The poles might be put farther apart and still support the weight of the wires, but if the wires themselves would not stand up, what was the use?

It was found that aluminum could be stranded around a steel core without lessening its virtues as a conductor or so increasing its weight as to leave the field to copper. Steel profited greatly and today more than 430,000 miles of steel cored aluminum cable are in use in this country alone.

Chiefly that use is in high voltage lines. There are fields in electrical work—many of them—in which the supremacy of copper has not been touched. For wiring of buildings, for underground cables, the red metal is without a rival.

Depression is a great test of an industry or an individual. The man who can lose a job and find another in a time when plants are cutting down and closing down is likely to be a good man. Aluminum had such an experience. In the late 20's the railroads gave signs of wanting large structural shapes and plates to lighten rolling stock. So the Aluminum Company built a structural mill and a plate mill, one in New York and one in Tennessee, and just about the time they were ready for operation the railroads decided that, no matter how much they might want new rolling stock, they couldn't pay for it.

Saving tons on a bridge

WHAT to do with the new mills was a problem. They found one answer near home. Pittsburgh had a highway and street railway bridge which was 51 years old and which was about at the end of its usefulness. In 1929 they might have torn it down and built a new one for about two million dollars. But in 1933 two million dollars was a vast amount of money. A plan was worked out to reduce weight by using aluminum flooring. With 350 tons of aluminum they cut the load on the trusses by 750 tons which is about the peak traffic load on the bridge. The cost was $370,000 and aluminum is wondering if it hasn't a new market. It has always considered that there was a field in lightening weight where unusually long spans were necessary.

The battle for bridge building has been—and probably will be—chiefly between concrete and steel, but aluminum can't help wondering if it hasn't a little bigger place in that picture in the rebuilding of bridges where growing transportation and heavy floors have dangerously added to the strain. Also in constructing new bridges where the length is sufficient to make the dead weight a serious factor. In these two cases, as well as in light railings and other items of superstructure on bridges, aluminum feels it has a field all its own.

New uses had to be found

THE new mills were turned also to making shapes and plate for use in dragline excavation—buckets and dippers. Here steel and aluminum have cooperated. The reason is plain: the less the weight the more dirt you can bring up in one motion. A two cubic yard aluminum bucket will replace a one and one-half cubic yard steel bucket at a material saving in gross load. But a two cubic yard bucket is child's play—aluminum has been employed in shovel dippers up to 32 cubic yards. There are questions of rigidity, lastingness and, always, cost. But aluminum is getting a share of the business and got it in the face of depression.

Mass in motion helps to explain aluminum's hunt for markets in transportation but why not mass standing still as in construction where weight is a factor? The metal has found a market there, but not in competition with the basic uses of steel. Steel still has an almost unchallenged place in the beams and girders that make the framework of our skyscrapers. Aluminum has, however, found a large use in building for exterior decoration, where resistance from attack by the elements is a prime factor, for window sills and sashes, for store fronts, skylights, cornices and insulation. In this last named use it meets new competitors in cork, asbestos and wood materials.

The story of the foundry is another striking illustration of how the aluminum industry had to find new markets to keep a branch of its business busy when old markets disappeared. For years, the aluminum foundry centered largely around the automobile. While increasingly large quantities of pistons and cylinder heads are being produced, in place of crank cases, oil pans, transmission cases and gear covers which were literally turned out by the tens of thousands, the foundry now makes spandrels, mullions, pilasters, and other architectural details. Parts for shovel dippers and marine diesel engines are produced as aluminum castings. Outboard motors are made

almost entirely of the products of aluminum foundries, while the applications of aluminum castings range from airplane fuselage fittings to church steeples. And here we have probably aluminum's first basic lesson in building for tomorrow as well as for today.

Aluminum tried at one time for the shingle business and failed, a result which it shared with other metals, for so far there has been no wide acceptance of any of them. One reason, perhaps, was that powerful preventive of selling, inertia, custom, habit—call it what you will. The argument seems to be: shingles never have been made of aluminum; therefore, they never should be. To build a market for them would have meant a heavy outlay with a corps of sales engineers and warehouse layouts.

Sales costs may be prohibitive

THE cost of selling kept aluminum out of another likely-looking market, that for automobile hardware such as door and window handles, locks and robe rails. Companies in this field had thousands of patterns for brass and bronze. They hesitated to change and an entry into this field would have been too expensive for a somewhat speculative market, particularly as aluminum's strong argument, lightness, wasn't a factor. As it is, the market which veered at one time to nickel plated brass has now gone largely to chrome plated zinc die castings.

Another instance of how markets are made and unmade can be found in builders' hardware. For years, door knobs, locks and hinges were of brass and bronze. Then a few years ago when interior finishes shifted from the old-fashioned browns and reds to lighter colors, there seemed to be a place for white metal finishes but by that time chrome and cadmium plating of steel had made a price problem that aluminum couldn't meet in any large way.

The law, says the maxim, does not care about the little things, but business does. Locomotives or pins, steel is equally ready to make both. So is aluminum. It is glad to make an electric railroad car, it is also glad to make a wrapping foil or a toothpaste tube. In the latter case one metal thrived on the plight of another. Tin was very scarce in the World War and aluminum saw a chance. A number of companies began to make collapsible tubes out of aluminum. It wasn't an unhampered advance, for tin and aluminum don't react quite alike to chemicals, and a toothpaste that might remain inert in tin might weaken an aluminum container. But

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A third of our Presidents have inscribed their names on the register of

The **WILLARD HOTEL**
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H. P. SOMERVILLE, *Managing Director*

that's a problem of research as well as of markets. In fact, the two are never far apart. So aluminum went to research to avoid any trial and error method by the public. Its chemists soon found that certain inhibitors could be added to the toothpaste to prevent any contamination. Aluminum was wise because, had the tube been affected by the toothpaste, three people would have been mad—the buyer, the toothpaste manufacturer and the container manufacturer. That's one reason for research laboratories: find it out before it happens. Sometimes products are kept six months in aluminum tubes before the market is thrown open.

Tug-of-war around a shoe-string

HOW many of us realize that the market for eyelets in shoes is worth fighting for? It is, and aluminum went after it 35 years ago. Light colored shoes used nickel plated brass eyelets, but the plating wore off and aluminum tried to supplant it. The newer metal couldn't be drawn well and it stained the leather. A market was lost only to be reattacked when it was found that the natural coating of aluminum oxide on the metal could be thickened. Now white shoes have aluminum eyelets but the aluminum industry keeps a watchful eye on the heavier metals which may work out a more permanent plating, and on the plastic resins which are always turning up the unexpected.

A dozen things might be added. What of aluminum bathtubs, of aluminum in ships, in bicycles? But enough has been put down here to show that markets belong to those who fight for them and for those who deserve them, and that no market is safe and settled.

Are there rules for capturing new markets?

No fixed rules. But if you ask S. K. Colby, Vice President of Aluminum Company of America, what he has learned in years of experience in developing markets and expanding sales, he'll talk about like this:

"In the first place, we start with the assumption that the consumer does not want to buy aluminum. We were not bright enough to think this out in the beginning. We learned it by bitter experience, but we now figure on it definitely.

We expect to have to advertise and sell our way into each new market to break down ultimate consumer resistance.

"In the effort to reach into a new field or an old field, that has been incorrectly handled at one time, the first product is generally wrong in some respects. To meet this situation, some ten years ago a Development Division of our Sales Department was created. This division is manned by technically minded men with some commercial experience. They are rather loosely dubbed sales engineers.

"Before the Aluminum Company undertakes to sell anything through its regular Sales Department, it has had careful and practical commercial developmental work put upon it. In this way we avoid spending any big amount of money on something that is destined to have rough seas ahead.

"We have learned to keep our eyes on the buying public and not on competitors or their products. We never try to supplant another metal or material directly, but we do try to apply our metal to a given job to the best of our ability, letting the ultimate consumer decide whether aluminum is what is wanted, or some other material.

"On the other hand, we do insist upon getting a hearing in every field where we believe aluminum will give a good account of itself, and of course we have had to do this against the resistance of all the older metals.

"However, a new field is seldom if ever exploited at the expense of an older material, that the older material is not in the long run benefited. The older material may lose an immediate market, but completely new markets may be created out of the remains of the old one. For every pound of aluminum put in the air, tons of other materials are used on the ground.

"The combination of research and development permits us to look five or even ten years ahead. We know that somewhere somebody is working on something to undermine every product we make, and we do not propose to be caught napping. Of course, this latter statement is an axiom that pertains to all businesses, but it is surprising how few corporation managements appreciate it."

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Babbitt Pays for Babbitt Baiting

(Continued from page 26)

that this argument is too complex to go over raw, red-blooded youth. To the young, consistency is indeed a jewel, and a young man is usually all for or all against somebody or something. Therefore, when he reads in the papers of 2,500 prominent bankers, industrialists and merchants attending a banquet to M. Litvinoff, his reaction is likely to be one of disgust.

It does not help him to believe in business to observe that business men are not fanatical in their faith in their own system.

Before long some politician is sure to point out to him the seeming inconsistency of asking the young men of America to defend the property of business men from communists, while such property is being used for trade with communists.

A new Nordau needed

I THINK one of the best symptoms of this reaction of the healthy minded young is to be found in the deplorable state of the book market and in the terrific struggle of the high brow literary magazines to maintain their sales on the news stands. Drama and fiction writing in this country have very largely fallen into the hands of decadents and sex bugs, the same sort that Max Nordau in the last decade of the nineteenth century lashed so effectively in his remarkable books "Degeneration" and "The Drones Must Die."

America certainly needs a Max Nordau right now. The book trade would be helped by a neo-Nordau, but since none has appeared a large part of the people have just quit reading books. The same groups have also quit reading the high-brow magazines, because hardly any of them any longer present a point of view at all congenial to the normal American young person. It is safe to say that no American periodical today has the prestige and power with the rising generation that was possessed by the *Century* in the 1880's, the *North American Review* in the 90's or the vigorous muckraking magazines of the first decade of the century. What holds readers to a few of the five cent magazines is purely and simply action and adventure fiction—and a glance at any news stand will show that the wise pulp editors who concentrate on Wild West and detective stuff can still sell their goods.

But the inquiring young man or woman who seeks non-fiction on the news stands today has practically no choice but defeatist, socialist and decadent stuff. Is it not remarkable that America, which is often called the greatest capitalistic country in the world, has no literary review of general appeal presenting anything approaching a capitalistic viewpoint? As a matter of fact it does not even possess any important publications presenting a native American radical viewpoint. A country that has produced such profoundly stimulating radical thinkers as Henry George, Simon Patten, Edward Bellamy and Thorstein Veblen is fed on the obsolete alien metaphysics of Marx and the lesser disciples of his school.

On the other hand, American conservatives seem to know little or nothing of great American economists like Henry Carey and Francis Walker, who had refuted 50 years ago many of the false assumptions of the British classical school and had laid the foundations for a real science of political economy adapted to a continental industrial system such as had grown up in North America.

It may be just possible that the greatest trouble today with American thinking is that it feeds so little upon real American thought. We talk and even shout about Americanism, but when you come down to brass tacks most Americans know far too little about America.

Perhaps one way to restore the prestige of the American business man would be for business men to foster and, if necessary, finance greater study of and publicity for American ideas in economics.

A new hand seeks a job

A QUEER looking machine bestrode rows of cotton in a field near Litchfield, Ariz. John Rust, Mack Rust, brothers, watched their invention at work. They saw it gobble up 600 pounds in less than three hours. Hand pickers do well to pluck 30 pounds in that time. Bare stalks it left in its wake. Nearby, field hands bent to their work, unmindful. Cost of machine picking about $1 an acre, one-fifth of usual cost, report said. Did the humming mechanical fingers sing the swan song of Negro cleaners? Census of 1930 shows 539,000 Negro agricultural laborers on paid jobs. A shadowy question mark rises against a tradition as old as the South.



This Alarm Says "*Please*"

The Warren Telechron Company of Ashland, Mass., wanted to improve the chime tone of its electric alarm clock . . . change it from a jolting sleep-killer to a coaxing, musical *"Get up, please."*

They called in Revere's Technical Advisory Service to study the problem and recommend a new gong metal. The new gong had to form cheaply, stand the shock of millions of hammer blows during its lifetime, and give a pleasing musical tone in spite of space and shape limitations within the clock. From ten different Revere alloys submitted, one bronze mixture exactly met these requirements.

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●



Phoenix Pullman on THE CHIEF again this winter

●

After California—Hawaii

The Constitution—What It Means

(Continued from page 16)

life, nor liberty, nor property shall be taken from him except by due process of law and if, by disobedience to law he has lost any of these rights, no punishment can be imposed upon him until he has had a fair and open trial before a jury of his equals.

Equality and freedom—these are the constitutional birthright of every American.

Think twice before changing

THE question which this generation and every generation of Americans must settle for itself, as its fathers have done before it, is whether it is satisfied with these rules and still desires to lead the sort of life for which they provide. If it is, it will resist every effort to change the form of government which guarantees these things. If it is not, it will welcome such changes as will bring it what it seeks. But may this generation be sure of what it seeks and of the adequacy of the proposed changes to secure it.

Those who offer advice may fairly be asked what government and what manner of life in all the world they would prefer. If they tell us that we are unhappy, let them name those who are happier; if oppressed, those who are more free; if poor and downtrodden, those who are more prosperous. If we are to change our moorings, let them show us a safer harbor. Aimless discontent will lead us nowhere.

The cracked-brain theories of a communistic society may reduce everybody to a ghastly common level, but it can raise none and visions of a happy land far, far away, free from toil and weariness and pain, belong to the next world and not to this.

Government is only men

WE must never forget that the Government does not, cannot exist apart from its officers; that the idea of an "essential" state, of some mystical force or power which is greater than and above these officers and the people, is only a modern superstition, a metaphysical fancy such as may have its place in religious thought, but which is false and extremely dangerous in political thought.

The framers of the Constitution recognized this and builded accordingly. We would do well to remember the fate of those who worship false gods.

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It's in the store . . .

NOW WHAT ?

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For years, the American Can Company has been sharing in the sales promotion of package merchandise. Not the sales promotion of booklets and "we want your business" letters. But sales promotion through the retail merchant, in the store, on the counter—sales promotion where *sales are made.*

These years of experience are available to you if you have a retail merchandising problem. From our experience, we may be able to find the answer.

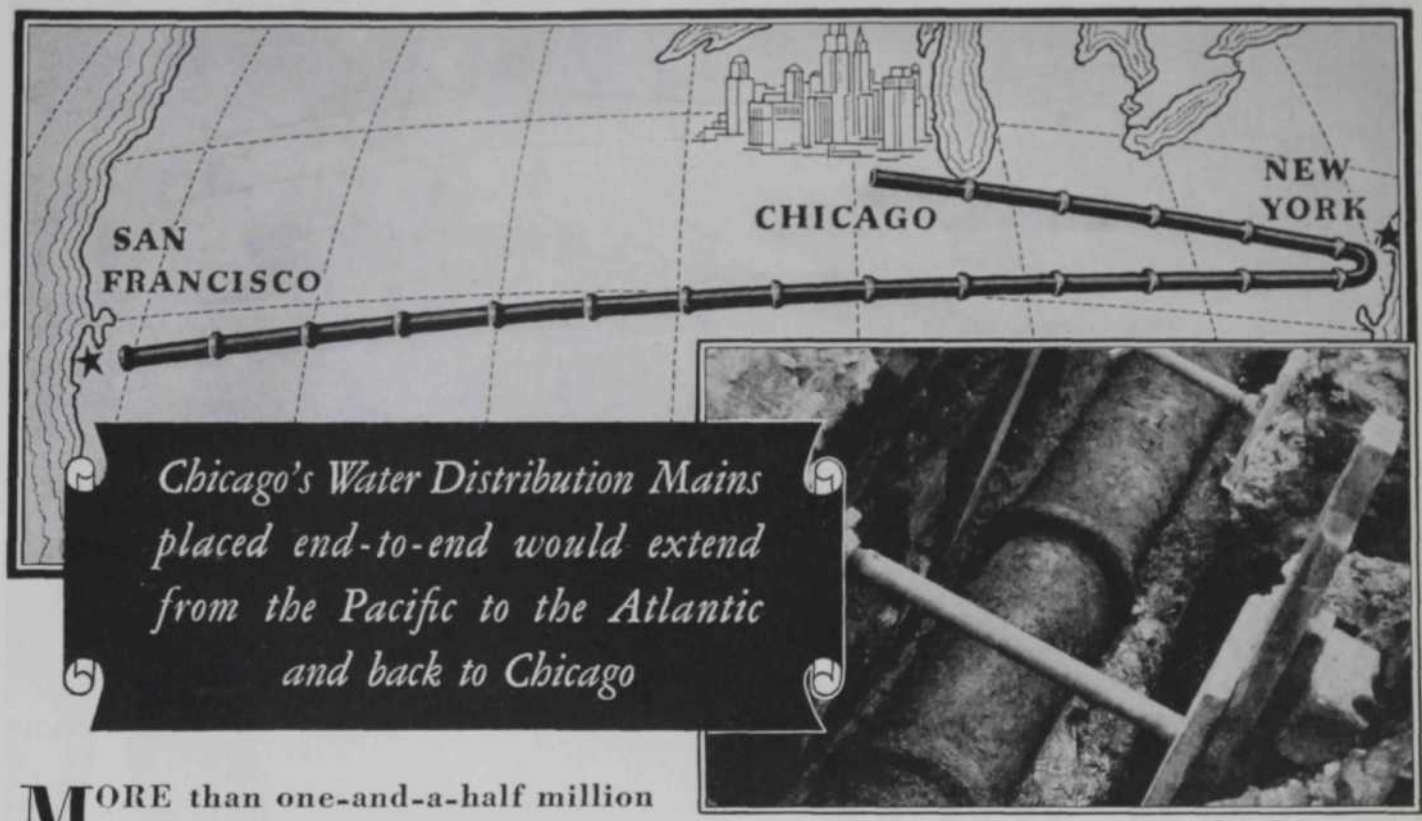
If not, we shall be glad to work with you until, together, we find the proper method of getting your product into customers' homes.

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